

9-16-2010

Steel Farm, Inc. v. Croft & Reed, Inc. Clerk's Record v. 1 Dckt. 37776

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Vol. 1 of 3

LAW CLERK

IN THE
SUPREME COURT
OF THE
STATE OF IDAHO

volume 1 of 6

STEEL FARMS, INC.,

Plaintiff - Counterdefendant

and

Appellant
vs.

CROFT AND REED, INC.,

Defendant-Counterclaimant

and

Respondents

Appealed from the District Court of the Seventh Judicial

District of the State of Idaho, in and for Bonneville County

Hon. Joel E. Tingey, District Judge

DeAnne Casperson, Esq.,

P.O. Box 50130, Idaho Falls, ID 83405-0130

Attorney for Appellant

Nathan M. Olsen

2105 Coronado Idaho Falls, ID 83404-7495

FILED - COPY
SEP 10 2010
Attorney for Respondent

Filed this day of 20

COPY 37776
By Clerk
Deputy

IN THE SUPREME COURT OF THE STATE OF IDAHO

STEEL FARMS, INC.,

Plaintiff-Counterdefendant-Appellant,

v

CROFT & REED, INC.,

Defendant-Counterclaimant-Respondents

* * * * *

CLERK'S RECORD ON APPEAL

* * * * *

Appeal from the District Court of the
Seventh Judicial District of the State of Idaho,
in and for the County of Bonneville

HONORABLE Joel E. Tingey, District Judge.

* * * * *

DeAnne Casperson, Esq.
HOLDEN, KIDWELL, HAHN & CRAPO
P.O. Box 50130
Idaho Falls, ID 83405-0130

Nathan M. Olsen
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Attorney for Appellant

Attorney for Respondent

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Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User		Judge
12/22/2008	SMIS	ROBBINS	Summons Issued	Gregory S. Anderson
	NCOC	ROBBINS	New Case Filed-Other Claims	Gregory S. Anderson
	NOAP	ROBBINS	Plaintiff: Steel Farms, Inc. Notice Of Appearance DeAnne Casperson	Gregory S. Anderson
		ROBBINS	Filing: A - Civil Complaint for more than \$1,000.00 Paid by: Casperson, DeAnne (attorney for Steel Farms, Inc.) Receipt number: 0055438 Dated: 12/23/2008 Amount: \$88.00 (Check) For: Steel Farms, Inc. (plaintiff)	Gregory S. Anderson
1/6/2009	ASRV	WOOLF	Affidavit of Service - 1/06/2009 Croft & Reed Inc. by serving Nathan M. Olsen	Gregory S. Anderson
1/14/2009	NOAP	DOOLITTL	Defendant: Croft & Reed, Inc., Notice Of Appearance Nathan M. Olsen	Gregory S. Anderson
		DOOLITTL	Filing: I7 - All Other Cases Paid by: Olsen, Nathan M. (attorney for Croft & Reed, Inc.,) Receipt number: 0002061 Dated: 1/15/2009 Amount: \$58.00 (Check) For: Croft & Reed, Inc., (defendant)	Gregory S. Anderson
	MOTN	DOOLITTL	Motion for Disqualification	Gregory S. Anderson
1/16/2009	NTOS	WOOLF	Notice Of Service (P's 1st Discovery Requests to Defendant)	Gregory S. Anderson
1/22/2009	DISA	LMESSICK	Order for Disqualification	Gregory S. Anderson
	JUDGE	HUNTSMAN	Judge Change	Joel E. Tingey
		HUNTSMAN	Order of Assignment to Judge Joel E. Tingey	Joel E. Tingey
2/12/2009	ANSW	DOOLITTL	Answer, Counterclaim and Demand for Jury Trial	Joel E. Tingey
2/17/2009	NTOS	WILLIAMS	Notice Of Service (Defendant's Response to Plaintiff's First Requests for Admissions) **fax**	Joel E. Tingey
2/23/2009	NOTC	WILLIAMS	Notice to Take Deposition (Duces Tecum)	Joel E. Tingey
3/3/2009	NTOS	DOOLITTL	Notice Of Service (Defendant's Response to Plaintiff's 1st Discovery Requests)	Joel E. Tingey
3/4/2009	ANSW	DOOLITTL	Answer to Counterclaim	Joel E. Tingey
3/25/2009	NOTC	WILLIAMS	Amended Notice to Take 30(b)(6) Deposition of Defendant Croft and Reed, Inc. (Duces Tecum)	Joel E. Tingey
	NOTC	WILLIAMS	Notice of Deposition of Richard Reed	Joel E. Tingey
3/26/2009	MOTN	WILLIAMS	Croft & Reed, Inc.'s Motion for Summary Judgment	Joel E. Tingey
	MEMO	WILLIAMS	Croft & Reed, Inc.'s Memorandum in Support of Its Motion for Summary Judgment	Joel E. Tingey
	AFFD	WILLIAMS	Affidavit of Virginia R. Mathews	Joel E. Tingey
	AFFD	WILLIAMS	Affidavit of Russell J. Mathews	Joel E. Tingey
	AFFD	WILLIAMS	Affidavit of Nathan M. Olsen	Joel E. Tingey
	NOTH	WILLIAMS	Notice Of Hearing - 4/29/09 @ 9 a.m.	Joel E. Tingey
	NTOS	WILLIAMS	Notice Of Service (Defendant's First Set of Discovery Requests to Plaintiff)	Joel E. Tingey

Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User		Judge
4/1/2009	NOTC	WOOLF	Notice of Deposition of Virginia Matthews	Joel E. Tingey
4/13/2009	HRSC	QUINTANA	Hearing Scheduled (Motion 05/19/2009 10:00 AM) Defendant's Motion for Summary Judgment	Joel E. Tingey
4/20/2009	STIP	WILLIAMS	Stipulation to Vacate and Reset Hearing on Motion for Summary Judgment	Joel E. Tingey
4/22/2009	ORDR	SOUTHWIC	Order to vacate and reset hearing on motion for SJ	Joel E. Tingey
5/6/2009	MEMO	WILLIAMS	Memorandum in Support of Motion to Strike Portions of the Affidavits of Virginia R. Mathews and Russell J. Mathews **Fax**	Joel E. Tingey
	MOTN	WILLIAMS	Motion to Strike Portions of the Affidavits of Virginia R. Mathews and Russell J. Mathews **fax**	Joel E. Tingey
	NOTC	WOOLF	Notice of Deposition Duces Tecum	Joel E. Tingey
	MEMO	WOOLF	Memorandum in Opposition To Croft & Reed, Inc's Motion for Summary Judgment	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Deanne Casperson in Opposition to Croft & Reed's Motion for Summary Judgment	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Kevin Steel in Opposition to Croft & Reed's Motion for Summary Judgment	Joel E. Tingey
	NOTH	WOOLF	Notice Of Hearing 5/19/2009 @ 10:00 AM	Joel E. Tingey
5/13/2009	MISC	WOOLF	Defendant's and Counterclaimant's Reply to Plaintiff's Memorandum in Opposition of Defendant's Motion for Summary Judgment	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Nathan M. Olsen in Support of Motion for Summary Judgment	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Virginia R. Mathews	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Russell J. Mathews	Joel E. Tingey
	RESP	WOOLF	Croft & Reed, Inc.'s Response to Plaintiff's Motion to Strike Portions of the Affidavits of Virginia R. Mathews and Russell J. Mathews	Joel E. Tingey
5/14/2009	NDDT	WILLIAMS	Amended Notice Of Deposition Duces Tecum	Joel E. Tingey
	ASRV	WILLIAMS	Affidavit of Service - 5/6/09 Richard K. Hale, CPA -served Subpoena	Joel E. Tingey
5/15/2009	MOTN	WILLIAMS	Motion to Shorten Time	Joel E. Tingey
	AFFD	WILLIAMS	Affidavit of Deanne Casperson in Support of Motion to Shorten Time	Joel E. Tingey
	MOTN	WILLIAMS	Plaintiff's Motion for Discovery Pursuant to Idaho Rule of Civil Procedure 56(f)	Joel E. Tingey
	AFFD	WILLIAMS	Affidavit of Deanne Casperson in Support of Plaintiff's Motion for Discovery	Joel E. Tingey
	MEMO	WILLIAMS	Memorandum in Support of Plaintiff's Motion for Discovery Pursuant to Idaho Rule of Civil Procedure 56(f)	Joel E. Tingey
	NOTH	WILLIAMS	Notice Of Hearing	Joel E. Tingey

Date: 7/29/2010

Seventh Judicial District Court - Bonneville County

User: SHULTS

Time: 10:00 AM

ROA Report

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Case: CV-2008-0007912 Current Judge: Joel E. Tingey

Steel Farms, Inc. vs. Croft Reed, Inc., etal.

Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User		Judge
5/18/2009	MISC	WOOLF	Defendant's and Counterclaimant's Objection to Plaintiff's Motion to shorten Time	Joel E. Tingey
	MISC	WOOLF	Defendant's and Counterclaimant's Objection to Plaintiff's Motion for Discovery	Joel E. Tingey
	MISC	WOOLF	Affidavit of Nathan M. Olsen in Opposition to Plaintiff's Motion to Shorten Time and Discovery	Joel E. Tingey
5/19/2009	HRHD	SHULTS	Hearing result for Motion held on 05/19/2009 10:00 AM: Hearing Held Defendant's Motion for Summary Judgment	Joel E. Tingey
	CONT	SOUTHWIC	Continued	Joel E. Tingey
	MINE	SOUTHWIC	Minute Entry	Joel E. Tingey
	ORDR	SOUTHWIC	Order	Joel E. Tingey
5/20/2009	AFFD	WILLIAMS	Affidavit of Nathan M. Olsen in Support of Motion for Protective Order and Motion to Quash Subpoena **fax**	Joel E. Tingey
	MOTN	WILLIAMS	Motion for Protective Order and Motion to Quash Subpoena **fax**	Joel E. Tingey
5/26/2009	NOTC	WILLIAMS	Notice of Unavailable Trial Dates	Joel E. Tingey
5/27/2009	NOTC	WOOLF	Defendant/Counterclaimant's Notice of Unavailable Dates	Joel E. Tingey
5/28/2009	MOTN	WOOLF	Motion for Disqualification of Counsel	Joel E. Tingey
	MEMO	WOOLF	Memorandum in Support of Defendant's Motion for Disqualification of Counsel	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Virginia Mathews in Support of Motion for Disqualification of Counsel	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Nathan M. Olsen in Support of Motion for Disqualification of Counsel	Joel E. Tingey
	NOTH	WOOLF	Notice Of Hearing 6/11/2009 @ 9:00 AM	Joel E. Tingey
5/29/2009	NOTH	ROBBINS	Amended Notice Of Hearing 6/11/09 at 9:00 am	Joel E. Tingey
6/5/2009	MEMO	WOOLF	Steel Farms, Inc.'s Memorandum in Opposition to Croft & Reed, Inc's Motion for Disqualification of Counsel	Joel E. Tingey
	MEMO	WOOLF	Memorandum in Response to Croft & Reed, Inc's Motion for Protection Order and Motion to Quash Subpoena	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Kevin Steel in Opposition to Croft & Reed, Inc.'s Motion to Quash and Motion for Disqualification	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Charles Homer in Opposition to Croft & Reed, Inc.'s Motion to Quash and Motion for Disqualification	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Deanne Casperson in Opposition to Croft & Reed, Inc.'s Motion to Quash and Motion for Disqualification	Joel E. Tingey
6/10/2009	AFFD	ROBBINS	Affidavit of Nathan M Olsen in Support of Motion to Disqualify and Motion to Quash	Joel E. Tingey

Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User		Judge
6/10/2009	RESP	ROBBINS	Reply to Plf's Response to Croft & Reed, Inc's Motion for Disqualification of Counsel	Joel E. Tingey
	RESP	ROBBINS	Reply to Plf's Response to Croft & Reed, Inc's Motion for Protective Order and Motion to Quash Subpoena	Joel E. Tingey
6/12/2009	MINE	QUINTANA	Minute Entry	Joel E. Tingey
	ORDR	QUINTANA	Order	Joel E. Tingey
7/10/2009	NDDT	KESTER	Second Amended Notice Of Deposition Duces Tecum	Joel E. Tingey
7/13/2009	NDDT	KESTER	Third Amended Notice Of Deposition Duces Tecum **fax**	Joel E. Tingey
7/17/2009	MISC	WOOLF	Objection to Deposition Duces Tecum Request	Joel E. Tingey
8/18/2009	HRSC	SOUTHWIC	Hearing Scheduled (Status Conference 08/28/2009 09:00 AM)	Joel E. Tingey
8/20/2009	MEMO	KESTER	Memorandum in Support of Plaintiff's Motion to Compel Discovery	Joel E. Tingey
	AFFD	KESTER	Affidavit of Deanne Casperson in Support of Motion to Compel Discovery	Joel E. Tingey
	MOTN	KESTER	Plaintiff's Motion to Compel Discovery	Joel E. Tingey
	NOTH	KESTER	Notice Of Hearing - 9/3/09 @ 9 a.m.	Joel E. Tingey
8/26/2009	MOTN	DOOLITTL	Defendant's Motion to Strike Plaintiff's Motion to Compel Discovery and Motion to Vacate Hearing (fax)	Joel E. Tingey
	MOTN	DOOLITTL	Motion to Shorten Time (fax)	Joel E. Tingey
8/28/2009	HRHD	SOUTHWIC	Hearing result for Status Conference held on 08/28/2009 09:00 AM: Hearing Held in chambers off record	Joel E. Tingey
	ORPT	SOUTHWIC	Order Setting Pretrial Conference/trial	Joel E. Tingey
	HRSC	SOUTHWIC	Hearing Scheduled (Jury Trial 06/29/2010 10:00 AM) 4 days	Joel E. Tingey
	HRSC	SOUTHWIC	Hearing Scheduled (Pretrial Conference 06/15/2010 08:30 AM)	Joel E. Tingey
	NOTC	KESTER	Notice Vacating Hearing and Resetting Hearing on Motion to Compel Discovery	Joel E. Tingey
9/23/2009	RESP	KESTER	Defendant's Response to Plaintiff's Motion to Compel Discovery **fax**	Joel E. Tingey
9/29/2009	MEMO	KESTER	Reply Memorandum in Support of Plaintiff's Motion to Compel Discovery	Joel E. Tingey
9/30/2009	DCHH	SOUTHWIC	District Court Hearing Held Court Reporter: jack Fuller Number of Transcript Pages for this hearing estimated: under 100	Joel E. Tingey

Date: 7/29/2010

Seventh Judicial District Court - Bonneville County

User: SHULTS

Time: 10:00 AM

ROA Report

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Case: CV-2008-0007912 Current Judge: Joel E. Tingey

Steel Farms, Inc. vs. Croft Reed, Inc., etal.

Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User		Judge
9/30/2009	MINE	SOUTHWIC	Minute Entry Hearing type: Hearing Hearing date: 9/30/2009 Time: 11:44 am Courtroom: Court reporter: Minutes Clerk: Marlene Southwick Tape Number: Party: Croft & Reed, Inc., Attorney: Nathan Olsen Party: Doug Steel Party: Kevin Steel Party: Steel Farms, Inc., Attorney: DeAnne Casperson	Joel E. Tingey
	ORDR	SOUTHWIC	Order on Motion to Compel	Joel E. Tingey
11/12/2009	NOTC	LYKE	Notice of Deposition Duces Tecum	Joel E. Tingey
12/30/2009	MOTN	DOOLITTL	Amended Motion for Summary Judgment	Joel E. Tingey
	MEMO	DOOLITTL	Croft & Reed, Inc's Memorandum in Support of its Amended Motion for Summary Judgment	Joel E. Tingey
	AFFD	DOOLITTL	Affidavit of Counsel	Joel E. Tingey
	AFFD	DOOLITTL	Affidavit of Virginia R. Mathews	Joel E. Tingey
	AFFD	DOOLITTL	Affidavit of Russell J. Mathews	Joel E. Tingey
	AFFD	DOOLITTL	Affidavit of Nathan M. Olsen	Joel E. Tingey
1/5/2010	MOTN	KESTER	Plaintiff's Motion for Summary Judgment	Joel E. Tingey
	NOTH	KESTER	Notice Of Hearing - 2/25/10 @ 9 a.m.	Joel E. Tingey
	MOTN	KESTER	Motion to Amend Verified Complaint	Joel E. Tingey
	MEMO	KESTER	Memorandum in Support of Plaintiff's Motion to Amend Verified Complaint	Joel E. Tingey
	NOTH	KESTER	Notice Of Hearing - 1/20/10 @ 8:30 a.m.	Joel E. Tingey
1/6/2010	NOTH	KESTER	Notice Of Hearing - 2/3/10 @ 9 a.m.	Joel E. Tingey
1/8/2010	AFFD	LYKE	Affidavit of Deanne Casperson in Support of Plaintiff's Motion for Summary Judgment	Joel E. Tingey
	AFFD	LYKE	Affidavit of Dennis Marshall	Joel E. Tingey
	MEMO	LYKE	Memorandum in Support of Plaintiff's Motion for Summary Judgment	Joel E. Tingey
1/11/2010	MEMO	KESTER	Memorandum in Support of Motion to Shorten Time **fax**	Joel E. Tingey
	MOTN	KESTER	Motion to Shorten Time **fax**	Joel E. Tingey
	NOTH	KESTER	Amended Notice Of Hearing **fax**	Joel E. Tingey
	AFFD	KESTER	Affidavit of Deanne Casperson in Support of Motion to Shorten Time **fax**	Joel E. Tingey
	NOTC	WOOLF	Notice of Withdrawal of Motion to Shorten Time	Joel E. Tingey
	NOTC	WOOLF	Second Amended Notice Setting Hearing and Vacating Previously Set Hearing	Joel E. Tingey

Date: 7/29/2010

Seventh Judicial District Court - Bonneville County

User: SHULTS

Time: 10:00 AM

ROA Report

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Case: CV-2008-0007912 Current Judge: Joel E. Tingey

Steel Farms, Inc. vs. Croft Reed, Inc., etal.

Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User	Judge
1/13/2010	MEMO	DOOLITTL	Defendant's Memorandum in Opposition to Plaintiff's Motion to Amend Verified Complaint (fax)
1/19/2010	MEMO	KESTER	Plaintiff's Reply Memorandum in Support of Plaintiff's Motion to Amend Verified Complaint
1/20/2010	DCHH	SOUTHWIC	District Court Hearing Held Court Reporter: Jack fuller Number of Transcript Pages for this hearing estimated: under 100
	MINE	SOUTHWIC	Minute Entry Hearing type: Motion Hearing date: 1/20/2010 Time: 10:39 am Courtroom: Court reporter: Minutes Clerk: Marlene Southwick Tape Number: Party: Croft & Reed, Inc., Attorney: Nathan Olsen Party: Steel Farms, Inc., Attorney: DeAnne Casperson
	ORDR	SOUTHWIC	Order on motion to amend (PI's mo to amend is granted)
1/29/2010	MEMO	WOOLF	Memorandum in Opposition to Croft & Reed, Inc.'s Amended Motion for Summary Judgment
	MEMO	WOOLF	Memorandum in Support of Renewed Motion to Strike Portions of the Affidavits of Virginia R. Mathews and Russell J. Mathews
	MOTN	WOOLF	Renewed Motion to Strike Portions of the Affidavits of Virginia R. Mathews and Russell J. Mathews
2/1/2010	NOTH	WOOLF	Notice Of Hearing 2/12/2010 @ 8:30 AM
	MOTN	LYKE	Defendant's Motion to Strike Certain Alleged Facts Cited by the Plaintiff in Support its Motion for Summary Judgment
	AFFD	LYKE	Affidavit of Counsel
	MEMO	LYKE	Memorandum Supporting its Motion to Strike Certain Alleged Facts Cited by the Plaintiff in Support its Motion for Summary Judgment; and In Opposition to Plaintiff's Motion for Summary Judgment
	NOTH	LYKE	Notice Of Hearing Re: Motion to Strike (02/12/10@8:30AM)
2/5/2010	COMP	LYKE	Amended Verifed Complaint Filed
	RESP	WOOLF	Croft & Reed, Inc.'s Response to Plaintiff's Motion to Strike Portions of the Affidavits of Virginia R. Mathews and Russell J. Mathews
	AFFD	WOOLF	Affidavit of Counsel
	AFFD	WOOLF	Affidavit of Nathan M. Olsen in Support of Motion for Summary Judgment

Date: 7/29/2010

Seventh Judicial District Court - Bonneville County

User: SHULTS

Time: 10:00 AM

ROA Report

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Case: CV-2008-0007912 Current Judge: Joel E. Tingey

Steel Farms, Inc. vs. Croft Reed, Inc., etal.

Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User		Judge
2/5/2010	AFFD	WOOLF	Affidavit of Virginia R. Mathews	Joel E. Tingey
	AFFD	WOOLF	Affidavit of Russell J. Mathews	Joel E. Tingey
	MEMO	WOOLF	Defendant's/Counterclaimant's Reply to Plaintiff's Memorandum in Opposition to Defendant's Motion for Summary Judgment	Joel E. Tingey
2/8/2010	MOTN	KESTER	Motion to Strike Portions of the Affidvit of Virginia R. Mathews Dated May 11, 2009, The Affidavit of Russell J. Mathews Dated May 11, 2009, The Affidavit of Nathan M. Olsen Dated May 12, 2009, and the Affidavit of Counsel Dated February 5, 2010	Joel E. Tingey
	MEMO	KESTER	Memorandum in Support of Motion to Shorten Time	Joel E. Tingey
	MOTN	KESTER	Motion to Shorten Time	Joel E. Tingey
	NOTH	KESTER	Notice Of Hearing - 2/12/10 @ 8:30 a.m.	Joel E. Tingey
	MEMO	KESTER	Memorandum in Support of Motion to Strike Portions of the Affidvit of Virginia R. Mathews Dated May 11, 2009, The Affidavit of Russell J. Mathews Dated May 11, 2009, The Affidavit of Nathan M. Olsen Dated May 12, 2009, and the Affidavit of Counsel Dated February 5, 2010	Joel E. Tingey
	MEMO	KESTER	Reply Memorandum in Support of Plaintiff's Motion for Summary Judgment	Joel E. Tingey
2/10/2010	MEMO	LYKE	Defendant's Memorandum in Opposition to Plaintiff's Motion to Shorten Time	Joel E. Tingey
	MEMO	LYKE	Reply Memorandum in Support of Renewed Motion to Strike Portions of the Affidavits of Virginia R. Mathews and Russell J. Mathews	Joel E. Tingey
2/11/2010	MOTN	WOOLF	Defendant's Supplemental Motion for Summary Judgment	Joel E. Tingey
2/12/2010	MINE	QUINTANA	Minute Entry Hearing type: Motion Hearing date: 2/12/2010 Time: 8:35 am Courtroom: Court reporter: Minutes Clerk: Rhonda Quintana Tape Number: Party: Croft & Reed, Inc., Attorney: Nathan Olsen Party: Steel Farms, Inc., Attorney: DeAnne Casperson Party: Doug Steel Party: Kevin Steel	Joel E. Tingey
2/19/2010	ORDR	SOUTHWIC	Memorandum Decision and order (Def's mo SJ GRANTED)	Joel E. Tingey

Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User	Judge
3/1/2010	JDMT	SOUTHWIC	Judgment -- PI claims dismissed w/prejudice; PI no right to an option; Notice of Option Instrument #1220780 will have no further force and effect and Instrument #1320951 will have no further force and effect
	HRVC	SOUTHWIC	Hearing result for Pretrial Conference held on 06/15/2010 08:30 AM: Hearing Vacated
	HRVC	SOUTHWIC	Hearing result for Jury Trial held on 06/29/2010 10:00 AM: Hearing Vacated 4 days
	STATUS	SOUTHWIC	Case Status Changed: closed
3/5/2010	MEMO	KESTER	Memorandum in Support of Motion for Reconsideration Pursuant to Idaho Rule of Civil Procedure 59(e) and 54(b)(1)
	MOTN	KESTER	Motion for Reconsideration Pursuant to Idaho Rule of Civil Procedure 59(e) and 54(b)(1)
	MEMO	WOOLF	Defendant's Memorandum of Attorney Fees and Costs and Affidavit of Counsel
	MEMO	WOOLF	Defendant's Memorandum of Authority in Support of Memorandum of Attorney Fees and Costs
3/11/2010	NOTH	DOOLITTL	Notice Of Hearing 5-24-10 @9:00 a.m. (fax)
3/18/2010	NOTH	KESTER	Amended Notice Of Hearing - 4/8/10 @ 9 a.m.
3/22/2010		DOOLITTL	Plaintiff's Expert Witness Disclosure
3/23/2010	HRSC	SOUTHWIC	Hearing Scheduled (Jury Trial 06/29/2010 10:00 AM)
	STATUS	SOUTHWIC	Case Status Changed: Reopened
	HRSC	SOUTHWIC	Hearing Scheduled (Pretrial Conference 06/15/2010 08:30 AM)
3/29/2010		SBARRERA	Miscellaneous Payment: For Comparing And Conforming A Prepared Record, Per Page Paid by: Beard St. Clair Receipt number: 0014351 Dated: 3/29/2010 Amount: \$1.00 (Check)
		SBARRERA	Miscellaneous Payment: For Certifying The Same Additional Fee For Certificate And Seal Paid by: Beard St. Clair Receipt number: 0014351 Dated: 3/29/2010 Amount: \$1.00 (Check)
	MEMO	KESTER	Memorandum in Support of Motion to Amend Judgment Pursuant to I.R.C.P. 54(b) and 60(a)
	MOTN	KESTER	Motion to Amend Judgment Pursuant to I.R.C.P. 54(b) and 60(a)
	NOTH	KESTER	Notice Of Hearing - 4/8/10 @ 9 a.m.
	MOTN	KESTER	Motion to Shorten Time
	MEMO	KESTER	Memorandum in Support of Motion to Shorten Time
3/30/2010	MEMO	DOOLITTL	Defendant's Memorandum in Opposition to Plaintiff's Motion for Reconsideration (fax)

Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User		Judge
4/5/2010	MEMO	SBARRERA	Defendant's Memorandum In Opposition To Plaintiff's Motion To Amend Judgment Pursuant To **Fax**	Joel E. Tingey
4/6/2010	MEMO	QUINTANA	Reply Memorandum in Support of Motion for Reconsideration Pursuant to Idaho Rule of Civil Procedure 59(e) and 54(b)(1)	Joel E. Tingey
	MEMO	QUINTANA	Reply Memorandum in Support of Motion to Amend Judgment Pursuant to I.R.C.P. 54(b) and 60(a)	Joel E. Tingey
4/8/2010	DCHH	SOUTHWIC	District Court Hearing Held Court Reporter: None - digitally recorded Number of Transcript Pages for this hearing estimated: under 100	Joel E. Tingey
	MINE	SOUTHWIC	Minute Entry Hearing type: Motion Hearing date: 4/8/2010 Time: 9:41 am Courtroom: Court reporter: Minutes Clerk: Marlene Southwick Tape Number: Party: Croft & Reed, Inc., Attorney: Nathan Olsen Party: Steel Farms, Inc., Attorney: DeAnne Casperson	Joel E. Tingey
4/9/2010		QUINTANA	Defendant/Counterclaimants Expert Witness Disclosures (Fax)	Joel E. Tingey
4/14/2010	NTOS	DOOLITTL	Notice Of Service (Defendant's 2nd Set of Discovery Requests to Plaintiff) (fax)	Joel E. Tingey
4/21/2010	DEOP	SOUTHWIC	Decision on Motion to Reconsider and ORDER	Joel E. Tingey
4/27/2010	MOTN	TBROWN	Def's Motion for Summary Judgment Dismissing Counts IV and V of Pl's Complaint	Joel E. Tingey
	MEMO	TBROWN	Def's Memorandum in Support of It's Motion for Summary Judgment Dismissing Counts IV and V of Pl's Complaint	Joel E. Tingey
	AFFD	TBROWN	Affidavit of Virginia Mathews in Support of Def's Motion for Summary Judgment Dismissing Counts IV and V of Pl's Complaint	Joel E. Tingey
	AFFD	TBROWN	Affidavit of Counsel in Support of Def's Motion for Summary Judgment Dismissing Counts IV and V of Pl's Complaint	Joel E. Tingey
	NOTH	TBROWN	Notice Of Hearing	Joel E. Tingey
4/28/2010	NOTH	LMESSICK	Amended Notice of Hearing 5-27-10 (fax)	Joel E. Tingey
4/29/2010	MOTN	QUINTANA	I.R.C.P. 67 Motion to Order the Release and Delivery of Certain Funds to Defendant	Joel E. Tingey
	AFFD	QUINTANA	Affidavit of Counsel	Joel E. Tingey
	NOTH	QUINTANA	Notice Of Hearing May 13, 2010 at 9:00 a.m.	Joel E. Tingey

Date: 7/29/2010

Seventh Judicial District Court - Bonneville County

User: SHULTS

Time: 10:00 AM

ROA Report

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Case: CV-2008-0007912 Current Judge: Joel E. Tingey

Steel Farms, Inc. vs. Croft Reed, Inc., etal.

Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User	Judge
4/29/2010	MOTN	QUINTANA	Motion for Rule 54 (b) Certification of Summary judgment and Decision on Motin to Reconsider and Order Joel E. Tingey
	MEMO	QUINTANA	Memorandum in Support of Motion for Rule 54(b) Certification of Summary Judgment/Motion to Reconsider Orders Joel E. Tingey
	NOTH	QUINTANA	Notice Of Hearing May 13, 2010 at 9:00 a.m. Joel E. Tingey
5/6/2010		DOOLITTL	Defendant's Response in Opposition to Defendant's Rule 54(b) Certification of Summary Judgment and Decision on Motion to Reconsider and Order (fax) Joel E. Tingey
	MEMO	LYKE	Memorandum in Opposition to Defendant's Motion to Order the Release and Delivery of Certain Funds to Defendant Joel E. Tingey
	AFFD	LYKE	Affidavit of Amanda E. Ulrich in Opposition to Defendant's Motion to Order the Release and Delivery of Certain Funds to Defendant Joel E. Tingey
5/11/2010	MEMO	QUINTANA	Reply Memorandum in Support of Motion for Rule 54(b) Certification of Summary Judgment/Motion to Reconsider Orders Joel E. Tingey
5/12/2010	MEMO	QUINTANA	Defendant's Reply to Plaintiff's Response to Defendant's Motion to Order the Release and Deoivery of Certain Funds to Defendant Joel E. Tingey
5/13/2010	DCHH	SOUTHWIC	District Court Hearing Held Court Reporter: Jack fuller Number of Transcript Pages for this hearing estimated: under 100 Joel E. Tingey
	MINE	SOUTHWIC	Minute Entry Hearing type: Motion Hearing date: 5/13/2010 Time: 9:52 am Courtroom: Court reporter: Minutes Clerk: Marlene Southwick Tape Number: Party: Croft & Reed, Inc., Attorney: Nathan Olsen Party: Steel Farms, Inc., Attorney: DeAnne Casperson Joel E. Tingey
5/14/2010	AFFD	TBROWN	Affidavit of Dale Petersen in Opposition to Def's Motion for Summary Judgment Dismissing Counts IV and V of Plaintiffs Complaint Joel E. Tingey
	AFFD	TBROWN	Affidavit of Kevin Steel in Opposition to Def's Motion for Summary Judgment Dismissing counts IV and V of Pl's Complaint Joel E. Tingey
	MEMO	TBROWN	Memorandum in Opposition to Def's Motion for Summary Judgment Dismissing counts IV and V of Pl's complaint Joel E. Tingey
5/20/2010		DOOLITTL	Reply in Support of Defendant's Motion for Summary Judgment Dismissing Counts IV and V of Plaintiff's Complaint (fax) Joel E. Tingey

Date: 7/29/2010

Seventh Judicial District Court - Bonneville County

User: SHULTS

Time: 10:00 AM

ROA Report

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Case: CV-2008-0007912 Current Judge: Joel E. Tingey

Steel Farms, Inc. vs. Croft Reed, Inc., et al.

Steel Farms, Inc. vs. Croft & Reed, Inc., Doug Steel, Kevin Steel

Date	Code	User	Judge
5/25/2010	NOTC	SOLIS	Notice Of Service RE: Plaintiff's Answers To Defendant's Second Set of Discovery Requests Joel E. Tingey
5/26/2010	MOTN	SOLIS	Motion For Leave To File Supplemental Affidavit Of Kevin Steel Joel E. Tingey
	AFFD	SOLIS	Affidavit Of Deanne Casperson In Support Of Plaintiff's Motion For Leave To File Supplemental Affidavit Of Kevin Steel Joel E. Tingey
	MEMO	SOLIS	Memorandum In Support Of Plaintiff's Motion For Leave To File Supplemental Affidavit Of Kevin Steel and Motion To Shorten Time Joel E. Tingey
	MOTN	SOLIS	Motion To Shorten Time Joel E. Tingey
5/27/2010	DCHH	SOUTHWIC	District Court Hearing Held Court Reporter: Jack Fuller Number of Transcript Pages for this hearing estimated: under 100 Joel E. Tingey
	MINE	SOUTHWIC	Minute Entry Hearing type: Motion Hearing date: 5/27/2010 Time: 9:56 am Courtroom: Court reporter: Minutes Clerk: Marlene Southwick Tape Number: Party: Croft & Reed, Inc., Attorney: Nathan Olsen Party: Steel Farms, Inc., Attorney: DeAnne Casperson Joel E. Tingey
	ORDR	SOUTHWIC	Order on Motion for Summary Judgment (Def's mo SJ as to Ct 5 is denied; Ct 6 is granted) Joel E. Tingey
	JDMT	SOUTHWIC	Judgment and Rule 54(b) Certificate Joel E. Tingey
5/28/2010	AFFD	TBROWN	Supplemental Affidavit of Kevin Steel in Opposition to Def's Motion for Summary Judgment Dismissing counts IV and V of pl's complaint Joel E. Tingey
	NOTH	TBROWN	Notice Of Hearing 5/27/10 at 9:00 a.m. Joel E. Tingey
	ORDR	SOUTHWIC	Order on motion to release funds Joel E. Tingey
6/4/2010	APDC	DOOLITTL	Appeal Filed In District Court to the Supreme Court Joel E. Tingey
	NOTC	DOOLITTL	Notice of Appeal to the Supreme Court Joel E. Tingey
		DOOLITTL	Filing: L4 - Appeal, Civil appeal or cross-appeal to Supreme Court Paid by: Casperson, DeAnne (attorney for Steel Farms, Inc.) Receipt number: 0026402 Dated: 6/7/2010 Amount: \$101.00 (Check) For: Steel Farms, Inc. (plaintiff) Joel E. Tingey
6/8/2010	BNDC	SHULTS	Bond Posted - Cash (Receipt 26501 Dated 6/8/2010 for 100.00) \$100.00 deposit for Clerk's Record on Appeal Joel E. Tingey
		SHULTS	Certificate of Clerk's Record on Appeal sent to Supreme Court. Joel E. Tingey

Steel Farms, Inc. vs. Croft & Reed, Inc.,, Doug Steel, Kevin Steel

Date	Code	User	Judge
6/15/2010	HRVC	SOUTHWIC	Hearing result for Pretrial Conference held on 06/15/2010 08:30 AM: Hearing Vacated
	HRVC	SOUTHWIC	Hearing result for Jury Trial held on 06/29/2010 10:00 AM: Hearing Vacated
6/16/2010	HRSC	SOUTHWIC	Hearing Scheduled (Motion 06/30/2010 09:00 AM) Olsen's mo costs and fees
	NOTH	DOOLITTL	Notice Of Hearing 6-30-10 @ 9:00 a.m. (fax)
	MEMO	DOOLITTL	Defendant's Supplemental Memorandum of Authority in Support of Amended Memorandum of Attorney Fees and Costs (fax)
	MEMO	DOOLITTL	Defendant's Amended Memorandum of Attorney Fees and Costs and Affidavit of Counsel (fax)
6/18/2010		SHULTS	Docket # 37776 Due Date 8-16-10
6/25/2010	NOTC	LYKE	Notice Vacating Hearing
6/30/2010	MEMO	SOLIS	Memorandum In Support Of Objection To Defendant's Memorandum of Attorney Fees and Costs and Amended Memorandum of Attorney Fees and Costs and Motion to Disallow Fees and Costs
		SOLIS	Objection to Defendant's Memorandum of Attorney Fees and Costs and Amended Memorandum Of Attorney Fees and Costs and Motion to Disallow Fees and Costs
7/13/2010	TRAN	SHULTS	Transcript Filed by Fuller (2-12-10 , 4-8-10,& 5-27-10)
7/27/2010	NOTH	LYKE	Notice of Hearing Re: Defendant's Memorandum of Attorney Fees and Costs (08/24/10@9:00AM)

Charles A. Homer, Esq. (ISB No. 1630)
DeAnne Casperson, Esq. (ISB No. 6698)
HOLDEN KIDWELL HAHN & CRAPO, P.L.L.C.
P.O. Box 50130
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2000 DEC 22 5:14:29

CLERK OF DISTRICT COURT
JUDICIAL DISTRICT NO. 7
IDAHO

CASE ASSIGNED TO
JUDGE GREGORY S. ANDERSON

Attorneys for Plaintiff

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

STEEL FARMS, INC.,

Plaintiff,

v.

CROFT & REED, INC.,

Defendant.

Case No. CV- 08-7912

VERIFIED COMPLAINT

Fee Category: A.1.

Fee: \$88.00

Plaintiffs Steel Farms, Inc., by and through its counsel of record, Holden, Kidwell, Hahn & Crapo, P.L.L.C., as and for a cause of action against the above-named Defendant allege and state as follows:

PARTIES, JURISDICTION AND VENUE

1. Plaintiff Steel Farms, Inc., ("Plaintiff") is an Idaho corporation with its principal place of business in Bonneville County.
2. Defendant Croft & Reed, Inc. ("Defendant") is an Idaho corporation with its principal place of business located in Bonneville County, Idaho.
3. Based upon the amount in controversy, jurisdiction is properly before the District Court of the Seventh Judicial District in and for Bonneville County.

4. Pursuant to Idaho Code § 5-401, venue is proper in Bonneville County, Idaho, because the real property at issue is located in Bonneville County.

BACKGROUND FACTS

5. Plaintiff realleges and incorporates by reference the allegations in paragraphs 1 through 4 as though fully set forth herein and further alleges as follows:
6. On or about April 22, 2004, Plaintiff and Defendant entered into a four-year lease (hereinafter "Lease Agreement"), which contained the following property (hereinafter the "Property") description:

Township 3 North, Range 36 East of the Boise Meridian,
Section 32, SW $\frac{1}{4}$ SW $\frac{1}{4}$

Township 2 North, Range 36 East of the Boise Meridian,
Section 5, S $\frac{1}{2}$ NW $\frac{1}{4}$

The South Half of the Northwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$) of
Section Five (5), and the Northeast Quarter (NE $\frac{1}{4}$) of Section
Six (6), all in Township Two (2) North, Range 36, East of the
Boise Meridian.

Township 3 North, Range 36 East of the Boise Meridian,
Section 32, S $\frac{1}{2}$ NW, N $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$

The Southwest Quarter and North Half of the Northwest
Quarter (SW $\frac{1}{4}$ N $\frac{1}{2}$ NW $\frac{1}{4}$) of Section 5, Township 2 North,
Range 36, East Boise Meridian; The East Half of the
Southwest Quarter (E $\frac{1}{2}$ SW $\frac{1}{4}$), and the Northwest Quarter of
the Southwest Quarter (NW $\frac{1}{4}$ SW $\frac{1}{4}$), and the South Half of
the Northwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$), all in Section 32,
Township 3 North, Range 36, East of the Boise Meridian.

A true and correct copy of the Lease Agreement is attached hereto as Exhibit "A".

7. The legal description used by the parties in the Lease Agreement mistakenly included property owned by a third party. The correct legal description should have been as follows:

Tract 2

Township 3 North, Range 36, East of Boise Meridian, Bonneville County, Idaho

Section 32: SW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ & NW $\frac{1}{4}$ SW $\frac{1}{4}$ less the N $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$

Excepting Therefrom All of the Following Described Property: That Certain Property Conveyed to Bonneville County for Roadway Purposes by the Certain Deed Recorded April 26, 1966, as Instrument No. 360096.

Tract 3:

Township 2 North, Range 36, East of Boise Meridian, Bonneville County, Idaho

Section 5: W $\frac{1}{2}$

Excepting Therefrom All of the Following Described Property: That Certain Property Conveyed to Bonneville County for Roadway Purposes by the Certain Deed Recorded April 26, 1966, as Instrument No. 360095 and Recorded June 11, 1968, Instrument No. 386585 and That Property Conveyed to the State of Idaho Recorded July 25, 1950, Recorded in Book 72 of Deeds on Page 577.

8. Pursuant to the Lease Agreement, Plaintiff agreed to pay Defendant \$40,000.00 a year for the four-year period.
9. In consideration for such payments made on the Lease Agreement, Defendant granted to Plaintiff the option to purchase the Property (the "Option").
10. The parties original intent was for Plaintiff to purchase the Property when the parties entered into the Lease Agreement. Defendant, however, requested to use the Option to Purchase in order to gain a tax advantage. Plaintiff agreed to the Option instead of purchasing the Property at the time in order to accommodate

Defendant's tax benefits. Pursuant to the Lease Agreement, the Option matured on July 15, 2008, and could be exercised by giving written notice to Defendant subsequent to the maturity of the Option and during the time of the Lease Agreement.

11. Pursuant to the Lease Agreement, the purchase price for the Property under the Option was \$330,006.13, and was to be paid in equal annual installments of \$40,000.00. These figures were arrived at through an amortization schedule approved by both Venna Reed and Kevin Steel, both of whom executed the Lease Agreement. A true and correct copy of the amortization schedule is attached hereto as Exhibit "B".
12. After entering into the Lease Agreement, Plaintiff improved the Property by making improvements and repairs to the ground well pre-existing on the Property. In addition, Plaintiff also paid for and installed a new pump for the well, as well as purchasing two new pivot sprinklers for the purpose of irrigating the Property.
13. As a result of Plaintiff's improvement of the well and installation of the new pump, the Property became substantially more valuable.
14. Plaintiff relied upon the parties' Lease Agreement giving it the Option to purchase the Property in incurring the substantial costs necessary to improve the well and to purchase and install the new pump.

15. On or about July 18, 2008, Plaintiff notified Defendant of its intent to exercise the Option to purchase the Property pursuant to the Lease Agreement. A true and correct copy of such notice is attached hereto as Exhibit "C".
16. On or about September 18, 2008, Plaintiff sent correspondence to Defendant that it was "ready and willing to close" on the purchase of the Property pursuant to the Lease Agreement. A true and correct copy of such correspondence is attached hereto as Exhibit "D".
17. On or about September 23, 2008, Plaintiff received correspondence from Defendant indicating Defendant's refusal to sell the Property to Plaintiff according to the Lease Agreement.
18. In or about November 2008, Plaintiff was made aware that Defendant had listed the Property as "for sale" with HomePointe Real Estate with a list price of \$2,053,900.00.
19. Defendant has refused to allow Plaintiff to exercise its Option to purchase the Property and asserts that Defendant plans to sell the Property to a third-party.
20. Plaintiff remains ready and willing to exercise its Option to purchase the Property under the terms of the Option in the Lease Agreement.

COUNT ONE
REFORMATION OF LEASE AGREEMENT

21. Plaintiff realleges and incorporates by reference the allegations in paragraphs 1 through 20 as though fully set forth herein and further alleges as follows:

22. The legal description of the Property set forth in the Lease Agreement encompasses property beyond what was intended to be covered by the Lease Agreement, including property not owned by Defendant.
23. The Property actually farmed and intended to be covered by the Lease Agreement is legally described as specified in paragraph 7 above. The parties intended to accurately reflect in the Lease Agreement the correct legal description of the Property owned by Defendant and farmed by Plaintiff for many years.
24. At the time Plaintiff and Defendant entered into the Lease Agreement, both parties mistakenly believed the legal description used in the Lease Agreement accurately described the Property.
25. The mistake shared by both Plaintiff and Defendant was a basic assumption upon which the Lease Agreement was made, and has a material effect on the benefit of the bargain of the Lease Agreement.
26. Pursuant to the mutual mistake made by the parties, Plaintiff is entitled to have the Lease Agreement reformed to reflect the intent of the parties to include the correct legal description of the Property.

COUNT TWO
PRELIMINARY INJUNCTION PROHIBITING SALE OF PROPERTY

27. Plaintiff realleges and incorporates by reference the allegations in paragraphs 1 through 26 as though fully set forth herein and further alleges as follows:
28. Defendant intends to sell the Property, regardless of Plaintiff's right to exercise its Option.

29. Plaintiff will suffer great and/or irreparable injury if the Property is sold.
30. Plaintiff is entitled to an injunction from the Court, prohibiting the sale of the Property, until the matter can be resolved.

COUNT THREE
PRELIMINARY INJUNCTION DETERMINING PLAINTIFF'S
ENTITLEMENT TO FARM PROPERTY

31. Plaintiff realleges and incorporates by reference the allegations in paragraphs 1 through 30 as though fully set forth herein and further alleges as follows:
32. Defendant plans to sell the Property, regardless of Plaintiff's right to exercise its Option.
33. It is necessary for Plaintiff to make preparations for the 2009 growing season beginning immediately.
34. Plaintiff intends to farm and/or sublease the Property, subsequent to its exercise of the Option to purchase the Property.
35. Plaintiff will suffer great and/or irreparable injury if the Property is sold to a third party and Plaintiff has made preparations to farm and/or sublease the Property in the 2009 growing season in reliance upon its Option to purchase the Property in the Lease Agreement.
36. Plaintiff is entitled to an injunction from the Court allowing Plaintiff to farm the Property for the duration of the 2009 growing season.

COUNT THREE
SPECIFIC PERFORMANCE

37. Plaintiff realleges and incorporates by reference the allegations in paragraphs 1 through 36 as though fully set forth herein and further alleges as follows:
38. Plaintiff is ready and willing to exercise its Option to purchase the Property pursuant to the terms of the Lease Agreement.
39. Plaintiff is entitled to an order of specific performance, requiring Defendant to sell the Property to Plaintiff pursuant to the terms and conditions of the Option contained in the Lease Agreement.

COUNT FOUR
UNJUST ENRICHMENT

40. Plaintiff realleges and incorporates by reference the allegations in paragraphs 1 through 39 as though fully set forth herein and further alleges as follows:
41. Plaintiff conferred benefits upon the Defendant by improving the well on the Property, and paying for and installing a new pump on the Property.
42. Defendant has appreciated the benefits conferred upon them by Plaintiff in the increased value of the land.
43. Equity requires Defendant to compensate Plaintiff for the value of such benefits in an amount to be proven at the trial of this matter.

COUNT FIVE
DECLARATORY JUDGMENT REGARDING
OWNERSHIP OF PIVOT EQUIPMENT

44. Plaintiff realleges and incorporates by reference the allegations in paragraphs 1 through 43 as though fully set herein and further alleges as follows:
45. Plaintiff paid for and installed the new pivot sprinklers currently located on the Property.
46. Defendant intends to sell the Property, regardless of Plaintiff's right to exercise its Option.
47. Based on information and belief, Defendant intends to include Plaintiff's pivot sprinklers in the sale of the Property.
48. Plaintiff purchased and installed the pivot sprinklers and they are rightfully owned by Plaintiff.
49. Plaintiff will suffer great and/or irreparable injury if the pivot sprinklers are included in the sale of the Property, in the case that the sale of the Property to a third party is allowed by the Court.
50. In the case that the sale of the Property to a third party is allowed by the Court, the Plaintiff is entitled to a judgment from the Court allowing it to enter onto the Property and to remove the new pivots.

ATTORNEYS' FEES AND COSTS

51. Plaintiff realleges and incorporates by reference the allegations in paragraphs 1 through 50 as though fully set forth herein and further alleges as follows:
52. Pursuant to Defendant's actions in this matter, Plaintiff has been required to retain the services of Holden, Kidwell, Hahn & Crapo, P.L.L.C., to protect its interest in the Property.
53. Pursuant to Idaho Code and the Idaho Rules of Civil Procedure § 12-120(3) and 12-121, Plaintiff is entitled to an award of his attorneys' fees in this matter at an amount to be determined upon judgment. Further, Plaintiff is entitled to attorneys' fees as a result of contractual provisions contained in the Lease Agreement. If this matter is concluded by default, the amount of \$2,500.00 represents reasonable attorneys' fees, and a greater amount if this matter is not concluded by default.

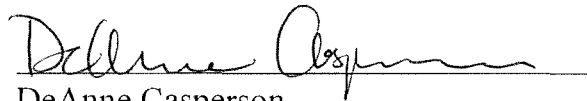
PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for Judgment against the Defendant as follows:

- a. For an Order reforming the Lease Agreement to include the correct legal description of the Property as intended by the parties;
- b. For an Order of injunction prohibiting Defendant from selling the Property to any third party;
- c. For an Order of injunction declaring that Plaintiff is entitled to farm and/or sublease the Property for the 2009 crop season;

- d. For an Order of injunction prohibiting Defendant from selling the pivot sprinklers with the Property.
- e. For an Order of specific performance requiring Defendant to allow Plaintiff to exercise its Option to purchase the Property pursuant to the terms and conditions of the Lease Agreement;
- f. For a Declaratory Judgment that Plaintiff is the rightful owner of the pivot sprinklers;
- g. For a money judgment in an amount to be determined at the trial of this matter;
- h. For an award of reasonable attorneys' fees in the amount of \$2,500.00 if this matter is concluded by default, and a greater amount should be awarded if this matter is contested;
- i. For an award of costs incurred in the prosecution of this matter; and
- j. For such other and further relief as the Court deems just and equitable in the premises.

Dated this 22nd day of December, 2008.


DeAnne Casperson
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

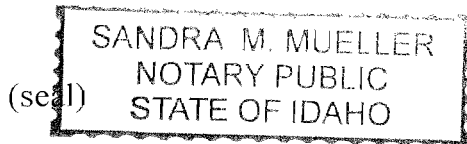
STATE OF IDAHO)
)SS
County of Bonneville)

Kevin Steel, being first duly sworn on oath, deposes and says that he is the President of Steel Farms, Inc.; that he has read the above Verified Complaint and believes that the facts stated therein are true; and that he is authorized to make this verification.

Kevin Steel
Kevin Steel

Dated: 12/22/08

SUBSCRIBED and sworn to before me this 22nd day of December, 2008.



Sandra M. Mueller
Notary Public for Idaho
Residing at: Shelley, Idaho
Commission Expires: June 7, 2010

When Recorded Please Return To:
Gregory J. Ehardt
Ehardt & Torgesen, PLLC
2235 East 25th Street, Suite 290
Idaho Falls, ID 83404

INSTRUMENT NO.	1220780
DATE	4/17/06
POST. OFF.	951
RECORDING	19
FILE	57
STATE OF IDAHO	
COUNTY OF BONNEVILLE	
I hereby certify that the within instrument was recorded	
at the Bonneville County Recorder's Office	
By	<i>K. Swanson</i>
Deputy Recorder	
Requester	<i>Ehardt Torgesen</i>

LEASE

SUMMARY OF CERTAIN LEASE PROVISIONS and REFERENCES

LANDLORD/LESSOR: Croft and Reed, Inc., an Idaho Corporation, and Richard and Venna Reed, husband and wife.

TENANT/LESSEE: Steel Farms, Inc., an Idaho Corporation

LEASE TERM: Four Years

RENT: Forty Thousand Dollars annually. (\$40,000.00)

SECURITY DEPOSIT: None.

DESCRIPTION OF PREMISES: 4488 North 115th West, Idaho Falls Idaho 83402, more fully described on Exhibit "A" attached hereto.

USE OF PREMISES: Any lawful purpose.

ADDRESS FOR NOTICES:

<u>LESSOR:</u>	Croft and Reed, Inc. c/o Richard and Venna Reed 3950 Tuscany Drive Idaho Falls, ID 83404
<u>LESSEE</u>	Steel Farms, Inc. 2462 West 49 th North Idaho Falls, ID 83402

EFFECTIVE DATE: The date specified in paragraph 1 hereof.

EXHIBITS: Exhibit "A" Description of Premises.



The foregoing is a summary only and reference should always be made to the full Lease provisions. References have been provided for convenience and designate some, but not necessarily all, of the other Articles where references to the particular "Summary of Lease Provisions" appear. Each reference in this Lease to any of the summarized Lease provisions contained in this "Summary of Lease Provisions" shall be construed to incorporate all of the terms provided under each summarized Lease provision and in case of any conflict with the balance of the Lease, the latter shall control.

1. AGREEMENT TO LEASE

Landlord hereby agrees to lease to Tenant and Tenant hereby agrees to lease from Landlord on the 22 day of April, 2004 ("Effective Date"), the Premises herein described for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

2. PREMISES

- 2.1. Premises. The Premises shall consist of the lands and improvements and fixtures on the property more fully described on Exhibit "A" attached hereto.
- 2.2. Construction - Tenant Improvements. Landlord is not obligated to construct any improvements to the Premises.

3. TERM

- 3.1. Term and Possession. The term of the Lease shall commence on the Effective Date and shall end on the 1st day of March, ~~2008~~ ^{K.S. 2009 VRM}. Possession of the Premises pursuant to this Lease shall be given at the commencement of the term.

- 3.2. Not Used

4. RENT

- 4.1. Rent. The rental for each year during the Term (or any holdover) shall be Forty Thousand Dollars (\$40,000.00) per year ("Base Rent"). Base Rent shall be payable in equal annual installments, in advance, on the first day of March during the term of the Lease.
- 4.2. Payment. All rent shall be paid in US currency and shall be paid at such place as Landlord shall designate from time to time.
- 4.3. Not Used

4.4. Not Used

4.5. Not Used

5. SECURITY DEPOSIT

5.1. Security. No security deposit is required with this Lease.

5.2. Not Used

5.3. Not Used

6. TAXES

6.1. **PROPERTY TAXES.** Landlord shall be responsible to pay for any and all real and personal property taxes and assessments levied or assessed for any year upon the Premises or upon the operation or occupancy thereof. In addition to the foregoing, Landlord shall be responsible to pay for taxes, fees and charges: (a) upon, allocable to, or measured by the area of the Premises or on the rent payable hereunder, including any gross receipts or gross rental tax levied by the State, any political subdivision thereof, including any gross receipts or gross rental tax levied by the State, any political subdivision thereof, County, City, or Federal Government with respect to the receipt of such rent; or (b) upon or with respect to the possession, leasing, operations, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (c) upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises; or (d) fees relating to the water district assessment; or (e) any fees in lieu of property taxes or other fees or charges levied against Landlord by or on behalf of any governmental or quasi-governmental entity for services by or on behalf of any governmental or quasi-government entity.

6.2. Not Used

7. USE

7.1. Use. Tenant may use the Premises solely for the purposes of set forth in the summary and may not otherwise utilize the Premises without the prior written consent of the Landlord.

7.2. Suitability. **Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the Premises, or with respect to the suitability of the Premises for the conduct of Tenant's business, including, without limitation, warranties of merchantability or fitness for a particular purpose. Prior to the execution hereof, the Landlord has provided the Tenant with an opportunity to fully**

inspect the Premises (and it have its agents or contractors inspect the Premises) and to notify the Landlord of any condition of the Premises that is not acceptable to the Tenant. The taking by Tenant of possession of the Premises shall conclusively establish that the Premises were at such time in satisfactory condition. Tenant shall be responsible for obtaining all necessary occupancy permits pertaining to the tenancy herein created.

7.3. Uses Prohibited.

7.3.1. During the term of this Lease, the Premises, and every part thereof, shall be kept by the Tenant in a clean and wholesome condition, free of any objectionable noises, odors or nuisances.

7.3.2. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way affect any fire or other insurance upon the Premises or any of its contents (unless Tenant shall pay any increased premium as a result of such use of acts), or cause a cancellation of any insurance policy covering the Premises or the Building or any of its contents, nor shall Tenant sell or permit to be kept, used or sold in or about said Premises any hazardous substance or any articles which may be prohibited by a standard form policy of fire insurance. All property kept, stored or maintained within the Premises by Tenant shall be at Tenant's sole risk.

7.3.3. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other Tenants or occupants of the building or buildings adjoining or neighboring the Premises or injure or annoy them or use or allow the Premises to be used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

7.3.4. Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant at its sole cost and expense shall promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises including, without limitation, all state, federal and local environmental protection laws. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated by law, statutes, ordinance or governmental rule, regulation or requirement, shall be conclusive of the fact as between Landlord and Tenant.

7.3.5. Not Used

8. MAINTENANCE AND REPAIRS, ALTERATIONS AND ADDITIONS AND UTILITIES

8.1. Maintenance and Repairs.

8.1.1. By Landlord and Tenant. Landlord and Tenant agree at all times during the term of this Lease, to maintain the Premises in the same manner that the Premises has been maintained by both the Landlord and Tenant in the past.

8.1.2. Not Used

8.2. Alterations.

8.2.1. Tenant shall not make any alterations or additions to the Premises nor make any contract therefor without first procuring Landlord's written consent, which shall not be unreasonably withheld.

8.3. Not Used

9. NOT USED

10. NOT USED

11. INDEMNITY

11.1. Indemnification Provisions.

11.1.1. Tenant shall indemnify and hold harmless Landlord from and against any and all claims arising from Tenant's use of the premises or the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant in or about Tenant's Premises, and shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach of or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of its agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in or from any such claim or action or proceeding brought thereon; and in case any action or proceeding be brought against Landlord by reason of any such claim, the Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises and Tenant hereby waives all claims in respect thereof against Landlord, excepting only damage or injury resulting from the negligence of Landlord, its employees

and agents, or of and from any costs, attorney's fees, expenses and liabilities resulting from or caused by construction defects in the structural portion of the Premises.

11.1.2. Landlord shall indemnify and hold harmless Tenant from and against any and all claims arising from Landlord's use of the premises or the conduct of its business or from any activity, work, or thing done, permitted or suffered by Landlord in or about Landlord's Premises, and shall further indemnify and hold Tenant harmless from and against any and all claims arising from any breach of or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease, or arising from any act or negligence of Landlord, or any of its agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in or from any such claim or action or proceeding brought thereon; and in case any action or proceeding be brought against Tenant by reason of any such claim, the Landlord, upon notice from Tenant, shall defend the same at Landlord's expense by counsel reasonably satisfactory to Tenant. Landlord, as a material part of the consideration to Tenant, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises and Landlord hereby waives all claims in respect thereof against Tenant, excepting only damage or injury resulting from the negligence of Tenant, its employees and agents, or of and from any costs, attorney's fees, expenses and liabilities resulting from or caused by construction defects in the structural portion of the Premises.

11.2. Not Used

12. **INSURANCE**

12.1. General Liability and Property Damage. Landlord shall at all times during the term hereof and at its own cost and expense procure and continue in force Bodily Injury Liability and Property Damage Liability Insurance adequate to protect Landlord and Tenant and naming Tenant as an additional insured in the liability contract against liability for injury or death of any person in connection with the use, operation or condition of the Premises. Such insurance at all times shall be in an amount of not less than \$1,000,000.00 combined single limit for bodily injury and property damage.

12.2. Not Used

12.3. Not Used

12.4. Waiver of Subrogation. To the fullest extent permitted under applicable policies of insurance, Landlord and Tenant each hereby waives any and all rights of recovery against the officers, employees, agents and representatives of such other party for loss of or damage to such waiving party of its property or the

property of others under the standard form of fire insurance policy with all permissible extension endorsements covering additional perils or under any other policy of insurance carried by such waiving party in lieu thereof.

13. NOT USED

14. NOT USED

15. ASSIGNMENT AND SUBLEASE

15.1. Tenant shall not voluntarily or by operation of any law assign, license, transfer, mortgage or otherwise encumber all or any part of Tenant's interest in this Lease or in the Premises, and shall not sublet or license all or any part of the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld.

16. NOT USED

16.1. Quiet Enjoyment. Landlord agrees that Tenant, upon paying the rent and performing the covenants and conditions of this Lease, may quietly have, hold and enjoy the Premises during the term hereof or any extension thereof.

16.2. Not Used

17. DEFAULT: REMEDIES

17.1. Default. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

17.1.1. Any failure by Tenant to pay rent or any other monetary sums required to be paid hereunder within 30 days from the date they are required to be paid.

17.1.2. The repudiation of this Lease by Tenant, any action by Tenant which renders performance by Tenant of its obligations under this Lease impossible, or any action by Tenant which demonstrates an intent by Tenant not to perform an obligation under this Lease or not to continue with the performance of obligations under this Lease.

17.1.3. Not Used

17.1.4. A failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant or any provision of the Obligations to be observed or performed by Tenant, where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said thirty (30) day period, Tenant shall not be

deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion.

17.2. Not Used

17.3. Remedies. In the event of any such material default or breach by Tenant, Landlord may at any time thereafter without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

17.3.1. Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, including amounts due through acceleration as provided below, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. Landlord shall have the right to attempt to relet the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease.

17.3.2. Terminate Tenant's right to possession by any lawful means, in which case Tenant's rights under this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord

17.4. Not Used

17.5. Not Used

17.6. Not Used

17.7. Not Used

17.8. Default by Landlord. Landlord shall be in default if Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligations. Tenant shall, among other remedies, demand specific performance from Landlord herein in this Lease.

18. NOT USED

19. OPTION TO PURCHASE PREMISES

19.1. Option. The Landlord hereby grants to the Tenant the exclusive and irrevocable Option to Purchase the Premises upon the terms and conditions set forth in this paragraph 19 (herein called the "Option"). The Option shall mature on

July 15, 2008 and may thereafter be exercised as herein provided. If the Tenant exercises the Option, then the Landlord and the Tenant shall buy and sell the Premises upon the following terms and conditions.

19.2. Purchase Price. The Purchase Price for the Premises shall be equal to Three Hundred Thirty Thousand Six Dollars and thirteen cents (\$330,006.13). The purchase price shall be paid in equal annual installments of Forty Thousand Dollars (\$40,000.00) beginning on the 1st day of March, 2009 with a final payment due and owing on the 1st day of March, 2020, in the amount of Twenty Seven Thousand, Five Hundred Eighty-Four Dollars and Forty-Two cents (\$27,584.42).

19.3. Conveyance. At Closing, Seller shall convey the Real Property to Buyer by a general Warranty Deed in a form reasonably satisfactory to the Buyer (herein the "Deed"). Title to the Real Property shall be marketable and insurable and shall be free and clear of all liens, encumbrances and restrictions other than (i) real property taxes and assessments for the current year which are not due and payable on or before the Closing Date, and (ii) the Permitted Exceptions (as hereinafter defined).

19.4. Title Commitment/Review Period.

19.4.1. Title Commitment. Within fifteen (15) days after exercise of the option as herein provided, the Landlord shall deliver to the Tenant (a) a current commitment for an owner's ALTA standard coverage policy of title insurance together with (b) a legible copy of all exceptions referred to in the said report (the commitment report, together with a legible copy of all exceptions referred to in the said report is herein referred to as the "Title Commitment") issued by a mutually agreed upon Title Company (the "Title Company"), describing the Real Property, listing Buyer as the prospective named insured and showing the Purchase Price as the policy amount.

19.4.2. Review of Title Commitment.

Buyer shall have seven (7) days after receipt of the Title Commitment (the "Review Period") in which to notify Seller of any objections Buyer has to any matters shown or referred to in the Title Commitment. Any exceptions or other items that are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions (the "Permitted Exceptions").

With regard to items to which Buyer does object within the Review Period, Seller shall, within seven (7) days after receipt of notice from Buyer of Buyer's objections, notify Buyer of Seller's agreement or refusal to cure such objections. If Seller is unable or unwilling to cure such objections by Closing Date, including any objections resulting from the extended coverage endorsements, Buyer may, at Buyer's option, either (i) waive the objections

not cured or (ii) within seven (7) days after receipt by the Buyer of the foregoing notice by Seller, terminate this Offer by notice to Seller. (In the event that the Buyer elects to terminate as herein provided, the consideration due on exercise as provided in 19.9.1 hereof shall be applied first to pay the premium due for the Title Commitment and the remainder thereof shall be refunded to the Buyer and neither party shall have any further liability to the other.)

19.5. Taxes and Proration. The term "taxes" when used in the Option means all general and special taxes levied against the Premises and the improvements and fixtures thereon by any taxing unit for any purpose and includes but is not limited to those for bonds, special improvements, irrigation and drainage. All taxes, whether paid or unpaid, shall be prorated between the Landlord and the Tenant on a time basis as of the date of the time of Closing Date. Subject to the provisions hereof regarding Tenant payments as rent, the Landlord shall pay before delinquency all taxes prorated for the period of time before such date and the Tenant shall pay before delinquency all taxes prorated for the period of time of and after such date.

19.6. Possession. The Tenant shall have possession of the Premises as provided herein on the Closing Date hereof, subject to all the provisions of this lease.

19.7. Risk of Loss. The risk of loss or damage to the Premises and the improvements thereon shall be borne by the parties hereto as provided in this lease until the closing of this purchase option. The Tenant (as buyer) shall bear such risk of loss or damage after closing of the purchase.

19.8. Manner of Closing Sale. If the Option is exercised, the sale of the Premises shall be closed in the manner following:

19.8.1. The parties shall mutually agree on a Closing Agent prior to the "Closing Date".

19.8.2. The time of closing this sale shall be at such time as the Tenant may designate by in writing at the time of exercise of the Option (herein called time of closing), but in no event shall the date be less than thirty (30) days or more than sixty (60) days following the exercise of the Option, unless (i) the Landlord shall agree in writing to such other closing time or (ii) an automatic extension of the closing is provided for herein. If, after exercise, the Option is not closed as herein provided then the same shall lapse and be of no further force or effect whatsoever.

19.8.3. The place of closing this sale shall be at the offices of the closing agent or at such other place as the parties hereto may hereafter designate by mutual agreement in writing deposited with the closing agent (herein called place of closing). The term "time and place of closing" means the time of closing and

the place of closing set forth above.

19.8.4. All fees of the closing agent shall be paid one half (1/2) by the Landlord and one half (1/2) by the Tenant. The premium on the title insurance policy shall be paid by the Landlord. If other closing expenses are incurred for which no provision is made in this option to purchase, such closing expenses shall be paid one half by the Tenant and one half by the Landlord.

19.8.5. Recording fees incurred in closing shall be paid as follows: the Landlord shall pay all recording fees incurred to clear title to the Premises to meet the requirements of paragraph 19.4 and the Tenant shall pay all recording fees incurred to record the Deed.

19.8.6 All items provided in the Option to be prorated shall be prorated as of the date specified in the Option for proration thereof but if no date is specified for the proration thereof then such item shall be prorated as of the time of closing herein specified or as changed as herein provided. If the closing of this sale shall occur before the taxes for the current year are known, then the proration of taxes shall be based on the taxes for the preceding year and each party hereto accepts such basis of proration as final.

19.9. Exercising of Option to Purchase.

19.9.1. To exercise the Option, the Tenant must give written notice thereof to the Landlord subsequent to the maturity of this option on July 15, 2008 and during the Term of this lease (including any agreed extension or exercised option term but excluding any holdover term). Any attempt to exercise the Option that does not strictly comply with this paragraph is void and does not constitute an effective exercise the Option.

19.9.2. If the Tenant exercises the Option to Purchase as provided in the Option, then (i) the Landlord and the Tenant shall be firmly bound to buy and sell the Premises on the terms and conditions provided in the Option; and the parties hereto shall in good faith cooperate to close this sale.

19.9.3. The Tenant's right to exercise the Option is suspended and the Tenant shall not have the right to exercise the Option while the Tenant is in default in performing any of the provisions of this lease to be performed by the Tenant, *whether or not* a notice of default has been served by the Landlord specifying such defaults. Tenant's right to exercise the Option is cancelled in the event of the cancellation of the term as herein provided.

19.9.4. In the event that, after exercise as herein provided, the Buyer shall fail to close the transaction contemplated hereby for any reason *other than as a result of termination of this option as provided in 19.4.2 hereof*, the Seller shall retain the consideration paid as provided in 19.9.1, without limiting any

remedy that the Seller may have as a result of such failure to close.

19.10. Not Used.

19.11. Time of Essence. Time and prompt performance of each and every provision of the Option is of the essence.

19.12. Recording the Option Prohibited. This Lease and Option herein shall be recorded in the county where the Premises are located.

19.13. Assignment or Transfer Prohibited. The Tenant shall not sell or contract to sell or assign or contract to assign or otherwise transfer or hypothecate or assign as security or pledge or otherwise encumber the Tenant's interest in the Option or the Premises or any part thereof separate from this lease without first obtaining the written consent of the Landlord. Any violation of the provisions of this paragraph by the Tenant shall forthwith and without notice terminate the Option to Purchase. Likewise, the Landlord shall not sell or contract to sell or assign or contract to assign or otherwise transfer or hypothecate or assign as security or pledge or otherwise encumber the Landlord's interest in the Option or the Premises or any part thereof separate from this lease without first obtaining the written consent of the Tenant.

19.14. Not Used

20. MISCELLANEOUS

20.1. Estoppel Certificate.

20.1.1. Landlord or Tenant shall at any time upon not less than ten (10) days prior written notice from the respective Landlord or Tenant execute, acknowledge and deliver to Landlord or Tenant as necessary a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Landlord or Tenant's respective knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if they are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrance of the Premises or the Building.

20.1.2. Landlord or Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord or Tenant, (ii) that there are no uncured defaults in Landlord's or Tenant's performance, and (iii) that not more than an amount equal to one month's rent has been paid in advance.

20.2. Not Used

20.3. Captions; Attachments; Defined Terms.

20.3.1. The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease.

20.3.2. Exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease and are incorporated herein.

20.3.3. The words "Landlord" and "Tenant," as used herein, shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine. Words used in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord or Tenant shall be joint and several; as to a Tenant which consists of husband and wife, the obligations shall extend individually to their sole and separate property as well as community property. The term "Landlord" shall mean only the owner or owners at the time in question of the fee title or a Tenant's interest in a ground lease of the Premises or the Building. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

20.4. Entire Agreement. This instrument, along with any exhibits and attachments hereto, constitutes the entire agreement between Landlord and Tenant relative to the Premises. This agreement and the exhibits and attachments may be altered, amended or revoked only by an instrument in writing signed by both Landlord and Tenant.

20.5. Severability. If any term or provision of this Lease shall, to any extent be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law; and it is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision valid, then the provision shall have the meaning which renders it valid.

20.6. Costs of Suit.

20.6.1. Each party shall have the right to seek and obtain reasonable attorney's fees and costs in enforcing its right hereunder. In the event of any controversy, claim or action being made, filed or instituted between the parties to this Agreement to enforce the terms and conditions hereof or arising from

the breach of any provision hereof, the prevailing party will be entitled to receive from the other party all costs, damages, and expenses, including reasonable attorney's fees, incurred by the prevailing party, whether or not such controversy or claim is litigated or prosecuted to judgment. The prevailing party will be that party who was awarded judgment as a result of trial or arbitration, or who receives a payment of money or other concession, from the other party in settlement of claims asserted by this party.

20.6.2. Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted by Tenant or by a third party against Tenant, or by or against any person holding under or using the Premises, by license of Tenant, or for the foreclosure of any lien for labor or materials furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant covenants to save and hold Landlord harmless from any judgment rendered against Landlord or the Premises or any part thereof, and all costs and expenses, including reasonable attorney's fees incurred by Landlord in or in connection with such litigation.

20.7. Time; Joint and Several Liability. Time is of the essence of this Lease and each and every provision hereof, except as to the conditions relating to the delivery of possession of the Premises to Tenant. All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and nonexclusive of any other remedy at law or in equity.

20.8. Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof. Subject to any provisions hereof restricting assignment or subletting by Tenant, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Idaho.

20.9. Waiver. No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver or the breach of any covenant, term or condition shall not be deemed to be a waiver of any covenant, term or condition. Acceptance by Landlord of any performance by Tenant after the time the same shall have become due shall not constitute a waiver by Landlord of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by Landlord in writing.

20.10. Surrender of Premises. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the

option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

20.11. Holding Over. If Tenant remains in possession of all or any part of the Premises after the expiration of the term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month to month only, and not a renewal hereof or an extension for any further term, and in such case rent, including percentage rent and other monetary sums due hereunder, shall be payable in the amount and at the time specified in this Lease and such month tenancy shall be subject to every other term, covenant and agreement contained herein.

20.12. Acts of God. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage except the obligations imposed with regard to rent and other charges to be paid by Tenant pursuant to this Lease.

20.13. Not Used.

20.14. Notices. All notices or demands of any kind required or desired to be given by Landlord or Tenant hereunder shall be in writing and shall be deemed delivered forty-eight (48) hours after depositing the notice or demand in the United States mail, certified or registered, postage prepaid, addressed to the Landlord or Tenant respectively at the addresses set forth under the summary above or at such other address as requested pursuant to written notice given as provided hereunder.

20.15. Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the Bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Tenant is a corporation, Tenant shall simultaneously with the execution of this Lease, deliver to Landlord a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease, and a certificate of good standing for the corporation.

20.16. Not Used

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease
on this ____ day of April, 2004.

LANDLORD:

TENANT:

Croft and Reed, Inc.

Steel Farms, Inc.

by: Richard Reed

Richard Reed, _____

by: Kevin Steel

Kevin Steel, _____

by: Venna Reed

Venna Reed, _____

by: Doug Steel

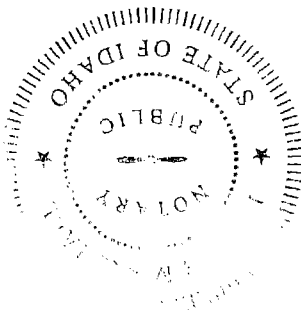
Doug Steel, _____

STATE OF IDAHO)

: ss

County of Bonneville)

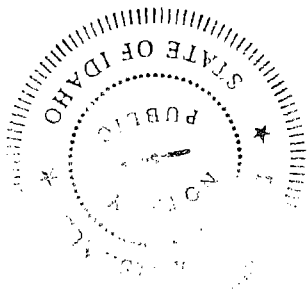
On this 22 day of April, 2004, before me, the undersigned, a Notary Public for the State of Idaho, personally appeared, Richard Reed, Venna Reed, known or identified to me to be the manager or a member of Croft and Reed, the Corporation that executed the instrument or the person who executed the instrument on behalf of said Corporation and acknowledged to me that such Corporation executed the same



Dennis Marshall
Notary Public for the State of Idaho
Residing at: Idaho Falls
My Commission Expires: June 12, 2006

STATE OF IDAHO)
County of Bonnamville) : SS

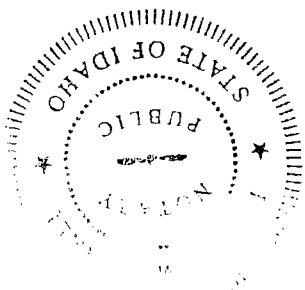
On this 22 day of April, 2004, before me, the undersigned, a Notary Public for the State of Idaho, personally appeared, Venna Reed, known or identified to me to be the manager or a member of Croft and Reed, the Corporation that executed the instrument or the person who executed the instrument on behalf of said Corporation and acknowledged to me that such Corporation executed the same



Dennis Marshall
Notary Public for the State of Idaho
Residing at: Idaho Falls,
My Commission Expires: June 12, 2006

STATE OF IDAHO)
County of Bonnamville) : SS

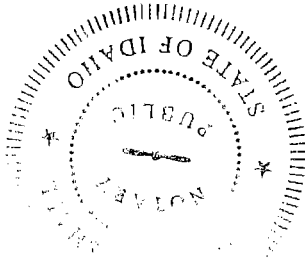
On this 22 day of April, 2004, before me, the undersigned, a Notary Public for the State of Idaho, personally appeared, Doug Stiel, known or identified to me to be the manager or a member of Stiel Farms Inc., the Corporation that executed the instrument or the person who executed the instrument on behalf of said Corporation and acknowledged to me that such Corporation executed the same



Dennis Marshall
Notary Public for the State of Idaho
Residing at: Idaho Falls,
My Commission Expires: June 12, 2006

STATE OF IDAHO)
County of Bonneville) : ss

On this 22 day of April, 2004, before me, the undersigned, a Notary Public for the State of Idaho, personally appeared, Kenneth Stuel, known or identified to me to be the manager or a member of Stuel Farms Inc., the Corporation that executed the instrument or the person who executed the instrument on behalf of said Corporation and acknowledged to me that such Corporation executed the same



Dennis Marshall
Notary Public for the State of Idaho
Residing at: Idaho Falls, Idaho
My Commission Expires: June 12, 2006

EXHIBIT "A"

DESCRIPTION OF THE PREMISES

TOWNSHIP 3 NORTH, RANGE 36 EAST OF THE BOISE MERIDIAN
Section: 32; SW1/4SW1/4

TOWNSHIP 2 NORTH, RANGE 36 EAST OF THE BOISE MERIDIAN
Section: 5; S1/2NW1/4

The South Half of the Northwest Quarter (S1/2NW1/4) of
Section Five (5), and the Northeast Quarter (NE1/4) of
Section Six (6), all in Township Two (2) North,
Range Thirty-six (36), East of the Boise Meridian.

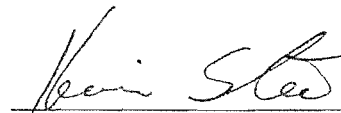
TOWNSHIP 3 NORTH, RANGE 36 EAST OF THE BOISE MERIDIAN
Section: 32 S1/2NW, N1/2N1/2N1/2SW1/4

The Southwest Quarter and the North Half of the Northwest
Quarter (SW1/4N1/2NW1/4) of Section 5, Township 2 North, Range
36, East Boise Meridian; The East Half of the Southwest
Quarter (E1/2SW1/4), and the Northwest Quarter of the Southwest
Quarter (NW1/4SW1/4), and the South Half of the Northwest Quar-
ter (S1/2NW1/4), all in Section 32, Township 3 North, Range 36,
East of the Boise Meridian.

Initials:



Landlord



Tenant



Loan Calculator

Enter Values	
Loan Amount	\$ 400,000.00
Annual Interest Rate	6.00 %
Loan Period in Years	16
Number of Payments Per Year	1
Start Date of Loan	3/1/2004
Optional Extra Payments	\$ 419.14

Loan Summary	
Scheduled Payment	\$ 39,580.86
Scheduled Number of Payments	16
Actual Number of Payments	16
Total Early Payments	\$ 6,287.10
Total Interest	\$ 229,239.58

Lender Name: Richard Reed

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance
1	3/1/2005	\$ 400,000.00	\$ 39,580.86	\$ 419.14	\$ 40,000.00	\$ 16,000.00	\$ 24,000.00	\$ 384,000.00
2	3/1/2006	384,000.00	39,580.86	419.14	40,000.00	16,960.00	23,040.00	367,040.01
3	3/1/2007	367,040.01	39,580.86	419.14	40,000.00	17,977.60	22,022.40	349,062.41
4	3/1/2008	349,062.41	39,580.86	419.14	40,000.00	19,056.25	20,943.74	330,006.16
5	3/1/2009	330,006.16	39,580.86	419.14	40,000.00	20,199.63	19,800.37	309,806.53
6	3/1/2010	309,806.53	39,580.86	419.14	40,000.00	21,411.61	18,588.39	288,394.92
7	3/1/2011	288,394.92	39,580.86	419.14	40,000.00	22,696.30	17,303.70	265,698.62
8	3/1/2012	265,698.62	39,580.86	419.14	40,000.00	24,058.08	15,941.92	241,640.54
9	3/1/2013	241,640.54	39,580.86	419.14	40,000.00	25,501.57	14,498.43	216,138.97
10	3/1/2014	216,138.97	39,580.86	419.14	40,000.00	27,031.66	12,968.34	189,107.31
11	3/1/2015	189,107.31	39,580.86	419.14	40,000.00	28,653.56	11,346.44	160,453.76
12	3/1/2016	160,453.76	39,580.86	419.14	40,000.00	30,372.77	9,627.23	130,080.98
13	3/1/2017	130,080.98	39,580.86	419.14	40,000.00	32,195.14	7,804.86	97,885.85
14	3/1/2018	97,885.85	39,580.86	419.14	40,000.00	34,126.85	5,873.15	63,759.00
15	3/1/2019	63,759.00	39,580.86	419.14	40,000.00	36,174.46	3,825.54	27,584.54
16	3/1/2020	27,584.54	39,580.86	-	27,584.54	25,929.47	1,655.07	0.00



EXERCISE OF OPTION TO PURCHASE PREMISES

Steel Farms, Inc., an Idaho Corporation ("Steel Farms"), by and through its agents signing below, hereby exercises its option (the "Option") to purchase certain real property located at 4488 North 115th West, Idaho Falls, Idaho 83402 (the "Premises"), which is more particularly described below.

RECITALS

WHEREAS, Steel Farms and Croft and Reed, Inc., an Idaho Corporation, and Richard and Venna Reed, husband and wife, of 3950 Tuscan Drive, Idaho Falls, Idaho 83404 (collectively, the "Reeds") entered into a Lease with the option to purchase (hereinafter "Lease"), which was executed on April 22, 2004 and is incorporated by reference herein;

WHEREAS, Paragraph 19 of the Lease grants Steel Farms an exclusive and irrevocable option to purchase the premises located at 4488 North 115th West, Idaho Falls, Idaho 83402, all in accordance with paragraph 19;

WHEREAS, Paragraph 19.9 of the Lease, states that Steel Farms must give written notice to the Reeds "subsequent to the maturity of this option on July 15, 2008 and during the term of this lease (including any extension or exercised option term but excluding any holdover term)";

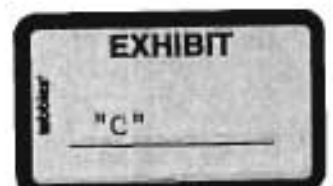
WHEREAS, Paragraph 19.2 of the Lease states that the purchase price for the Premises shall be equal to Three Hundred Thirty Thousand Six Dollars and thirteen cents (\$330,006.13); and

WHEREAS, Paragraph 19.8 of the Lease, states that the time of Closing the purchase shall be at such time as Steel Farms designates in writing at the time of the exercise of the Option, but in no event shall the date be less than thirty days or more than sixty days following the exercise of the Option.

NOW THEREFORE, the parties herein agree as follows:

WITNESSETH

1. **Exercise of Option.** Pursuant to Paragraph 19 of the Lease, Steel Farms hereby exercises its Option to purchase all of the following described Premises situated in the City of Idaho Falls, County of Bonneville, State of Idaho, commonly known as 4488 North 115th West, Idaho Falls, Idaho 83402, and particularly described as follows, to wit:



DESCRIPTION OF THE PREMISES

TOWNSHIP 3 NORTH, RANGE 36 EAST OF THE BOISE MERIDIAN
Section: 32; SW1/4SW1/4

TOWNSHIP 2 NORTH, RANGE 36 EAST OF THE BOISE MERIDIAN
Section: 5; S1/2NW1/4

The South Half of the Northwest Quarter (S1/2NW1/4) of
Section Five (5), and the Northeast Quarter (NE1/4) of
Section Six (6), all in Township Two (2) North,
Range Thirty-six (36), East of the Boise Meridian.

TOWNSHIP 3 NORTH, RANGE 36 EAST OF THE BOISE MERIDIAN
Section: 32 S1/2NW, N1/2N1/2N1/2SW1/4

The Southwest Quarter and the North Half of the Northwest
Quarter (SW1/4N1/2NW1/4) of Section 5, Township 2 North, Range
36, East Boise Meridian; The East Half of the Southwest
Quarter (E1/2SW1/4), and the Northwest Quarter of the Southwest
Quarter (NW1/4SW1/4), and the South Half of the Northwest Quar-
ter (S1/2NW1/4), all in Section 32, Township 3 North, Range 36,
East of the Boise Meridian.

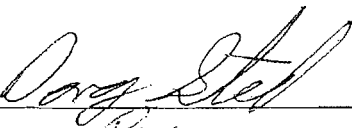
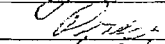
2. **Option Purchase Price.** Steel Farms shall pay to the Reeds
Three Hundred Thirty Thousand Six Dollars and thirteen cents (\$330,006.13), payable
in equal annual installments of Forty Thousand Dollars (\$40,000.00) beginning on the
1st day of March, 2009 with a final payment of Twenty Seven Thousand Five Hundred
Eighty Four Dollars and forty two cents (\$27,584.42) due on the 1st day of March, 2020.

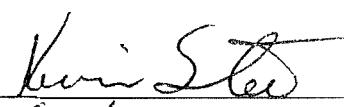
3. **Closing.** Pursuant to Paragraph 19.8 of the Lease, the Closing
shall take place no sooner than 30 days from the date of this Exercise of Option and no
later than 60 days from said date. As such, the Closing shall take place on or before
the 20th day of September, 2008, provided however, if the Closing does not take place
on or before the 20th day of September, 2008, the parties shall agree, in writing, to a
later date, as soon thereafter as practical, to reschedule the Closing.

4. **Time is of the Essence.** Time is of the essence in this Option.

IN WITNESS HEREOF, Steel Farms has caused this instrument to be
signed.

STEEL FARMS, INC.

By: 
Its: 
Dated: 7/18/08

By: 
Its: Sec/Treas
Dated: 7/18/08

GREGORY J. EHARDT, PA

ATTORNEY-AT-LAW

Gregory J. Ehardt • 2805 Valencia Drive • Idaho Falls, ID 83404 • (208) 525-9400 ext. 6

September 18, 2008

Nathan M. Olsen, Esq.
Beard, St. Clair, Gaffney, McNamarra, and Calder
2105 Coronado Street
Idaho Falls, Idaho 83404

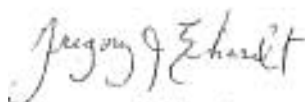
Dear Nathan,

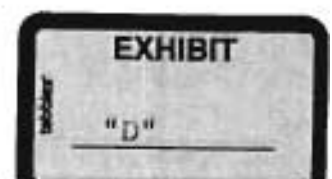
Thank you for speaking with me today regarding the contract between Steel Farms and Croft and Reed, Inc. I write this letter to inform you that Steel Farms and the owners thereof are ready and willing to close the purchase of your client's property pursuant to the contract. We are not aware of anything that we have missed in exercising the option found within the Lease Agreement. If you are aware of requirements that we are missing within the contract, please communicate your concerns to us so that we might correct our notice and proceed to closing.

Since our conversation, Steel Farms and I have spoken with Charles Homer of Holden, Kidwell, Hahn and Crapo. Because I no longer practice law much anymore, Mr. Homer has agreed to take this case in my place. If you would please communicate with him from this time forward, we would appreciate it.

Thank you.

Sincerely,


Gregory J. Ehardt



Nathan M. Olsen, ISB No. 7373
BEARD ST. CLAIR GAFFNEY PA
2105 Coronado Street
Idaho Falls, ID 83404-7495
Telephone: (208) 523-5171
Facsimile: (208) 529-9732

2009 JAN 22 AM 9:38
DISTRICT COURT
7TH JUDICIAL DISTRICT
BONNEVILLE COUNTY ID

Attorneys for Defendant, Croft & Reed, Inc.

**DISTRICT COURT SEVENTH JUDICIAL DISTRICT
BONNEVILLE COUNTY IDAHO**

STEEL FARMS, INC.

Plaintiff,
vs.

CROFT & REED, INC.,
Defendant.

Case No.: CV-08-7912

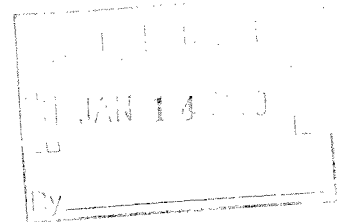
ORDER FOR DISQUALIFICATION

This matter having come before the Court by means of Defendant's Motion for Disqualification, and good cause being found,

IT IS HEREBY ORDERED that District Judge Gregory S. Anderson is disqualified in the above entitled action.

DATED: January 15, 2009

Gregory S. Anderson
Honorable Gregory S. Anderson



CLERK'S CERTIFICATE OF SERVICE

I certify that on January 22, 2009, I served a true and correct copy of the *ORDER*

FOR DISQUALIFICATION upon the following by the method of delivery designated:

Charles A. Homer
DeAnne Casperson
Holden Kidwell Hahn & Crapo PLLC
PO Box 50130
Idaho Falls, ID 83405-0130
Fax: (208) 523-9518

☐ US Mail ☒ Courthouse Box ☐ Facsimile

Nathan M. Olsen
Beard St. Clair Gaffney PA
2105 Coronado Street
Idaho Falls, ID 83404
Fax: (208) 529-9732

☐ US Mail ☒ Courthouse Box ☐ Facsimile

Clerk of the Court

By: _____

Deputy Clerk

BONNEVILLE COUNTY
IDAHO

2009 FEB 12 PM 4:30

Nathan M. Olsen, ISB No. 7373
BEARD ST. CLAIR GAFFNEY PA
2105 Coronado Street
Idaho Falls, ID 83404-7495
Telephone: (208) 523-5171
Facsimile: (208) 529-9732

Attorneys for Defendant, Croft & Reed, Inc.

**DISTRICT COURT SEVENTH JUDICIAL DISTRICT
BONNEVILLE COUNTY IDAHO**

STEEL FARMS, INC.

Plaintiff,

vs.

CROFT & REED, INC.,

Defendant.

Case No.: CV-08-7912

ANSWER, COUNTERCLAIM AND
DEMAND FOR JURY TRIAL

CROFT & REED, INC.

Counterclaimant,

vs.

STEEL FARMS, INC.;

Counterdefendants.

Filing Fee: \$14.00

Defendant, Croft & Reed, Inc., by and through counsel of record, Nathan M. Olsen of Beard St. Clair Gaffney PA, hereby responds to Plaintiff's Complaint as follows. Any allegations not expressly admitted are hereby denied by Defendant.

1. Defendant admits paragraph 1 of Plaintiff's Complaint.
2. Defendant admits paragraph 2 of Plaintiff's Complaint.

3. Defendant admits paragraph 3 of Plaintiff's Complaint.
4. Defendant admits paragraph 4 of Plaintiff's Complaint.
5. Defendant realleges and incorporates by referenced the responses in paragraphs 1 through 4 above.
6. Defendant admits that it entered into a lease with the Plaintiff and that the property description in paragraph 6 is the same as the stated property description under "Exhibit A" of Exhibit A of Plaintiff's Complaint. Defendant admits that to the best of its knowledge that Exhibit A is a true and correct copy of a written lease between Plaintiff and Defendant. Defendant denies the remainder of paragraph 6.
7. Defendant denies paragraph 7 of Plaintiff's Complaint.
8. Defendant denies paragraph 8 of Plaintiff's Complaint. According to the written lease, Plaintiff agreed to pay Defendant \$40,000 in rent, not as consideration for an option to buy property.
9. Defendant denies paragraph 9 of Plaintiff's Complaint. The written lease states no consideration for an option to purchase property.
10. Defendant admits that the written lease contains a provision indicating that Plaintiffs could exercise a written notice to purchase the "premises" "subsequent to the maturity of the option" and during the time of the lease. Defendant denies the remainder of paragraph 10.
11. Defendant denies paragraph 11 of Plaintiff's Complaint.
12. At this time, Defendant lacks sufficient information in regard to allegations under paragraph 12, and therefore denies the same.
13. Defendant denies paragraph 13 of Plaintiff's Complaint.

14. Defendant denies paragraph 14 of Plaintiff's Complaint.

15. Defendant admits that Exhibit C is a true and correct copy of an "Exercise of Option to Purchase Premises" and that this document was received by Defendants from Plaintiff. Defendant denies remainder of paragraph 15.

16. Defendant admits that Exhibit D is true and correct copy of correspondence that it received from Plaintiff, and denies remainder of paragraph 16.

17. Defendant admits that it sent correspondence to Plaintiff dated September 23, 2008, and denies the remainder of paragraph 17.

18. Defendant admits that farm property it owned was listed through HomePointe Real Estate. This listing has since been removed. Defendant lacks firsthand knowledge of the remainder of paragraph 18 and therefore denies the same.

19. Defendant admits that it intends to sell the property, but believes that plaintiff does not have a valid option to purchase the property and therefore denies paragraph 19 of Plaintiff's complaint.

20. Defendant does not have firsthand knowledge of the allegations of paragraph 20 and therefore denies the same.

21. Defendant realleges and incorporates by reference the responses in paragraphs 1 through 20 above.

22. Defendant denies paragraph 22 of Plaintiff's Complaint.

23. Defendant denies paragraph 23 of Plaintiff's Complaint.

24. Defendant denies paragraph 24 of Plaintiff's Complaint.

25. Defendant denies paragraph 25 of Plaintiff's Complaint.

26. Defendant denies paragraph 26 of Plaintiff's Complaint.

27. Defendant realleges and incorporates by reference the responses in paragraphs 1 through 26 above.

28. Defendant denies paragraph 28 of Plaintiff's Complaint.

29. Defendant denies paragraph 29 of Plaintiff's Complaint.

30. Defendant denies paragraph 30 of Plaintiff's Complaint.

31. Defendant realleges and incorporates by reference the responses in paragraphs 1 through 30 above.

32. Defendant denies paragraph 32 of Plaintiff's Complaint.

33. Defendant denies paragraph 33 of Plaintiff's Complaint.

34. Defendant denies paragraph 34 of Plaintiff's Complaint..

35. Defendant denies paragraph 35 of Plaintiff's Complaint.

36. Defendant denies paragraph 36 of Plaintiff's Complaint.

37. Defendant realleges and incorporates by reference the responses in paragraphs 1 through 36 above.

38. Defendant denies paragraph 38 of Plaintiff's Complaint..

39. Defendant denies paragraph 39 of Plaintiff's Complaint.

40. Defendant realleges and incorporates by reference the responses in paragraphs 1 through 39 above.

41. Defendant denies paragraph 41 of Plaintiff's Complaint.

42. Defendant denies paragraph 42 of Plaintiff's Complaint.

43. Defendant denies paragraph 43 of Plaintiff's Complaint.

44. Defendant realleges and incorporates by reference the responses in paragraphs 1 through 43 above.

45. Defendant denies paragraph 45 of Plaintiff's Complaint..
46. Defendant denies paragraph 46 of the Plaintiff's Complaint.
47. Defendant denies paragraph 47 of the Plaintiff's Complaint. Any sale of Defendant's property will not include personal property not belonging to Defendant.
48. Defendant denies paragraph 48 of Plaintiff's Complaint..
49. Defendant denies paragraph 49 of the Plaintiff's Complaint. Any sale of Defendant's property will not include personal property not belonging to Defendant.
50. In the case of a sale, Defendant will allow the Plaintiff the opportunity to remove personal property (unless such property is abandoned) and therefore denies the allegations of paragraph 50.
51. Defendant realleges and incorporates by reference the responses to paragraphs 1 through 50 above.
52. Defendant denies paragraph 52 of the Plaintiff's Complaint.
53. Paragraph 53 of Plaintiff's Complaint states a legal conclusion, and therefore Defendant denies the same.

Affirmative Defenses

1. The Complaint fails to state a claim upon which relief can be granted.
2. Plaintiff is barred from recovery based on the doctrine of waiver.
3. Plaintiff is barred from recovery based on the doctrine of estoppel.
4. Any damages allegedly sustained by Plaintiff are due to its own culpable or negligent conduct, breach of contract, and/or fraudulent conduct.

5. Any damages allegedly sustained by Plaintiff is due to the fault of a third party.

6. Plaintiff's claims are barred for lack of consideration.

7. Plaintiff's claims are barred because of material mistakes which void the contract.

8. Plaintiff's claims are barred because the agreement does not meet the requirements of the statute of frauds.

9. Plaintiff's claims are barred because it is in default of the lease agreement.

10. Plaintiff's claims are barred because the lease has been terminated, thereby terminating an exercise an option to purchase the property.

11. Plaintiff's claims are barred because of undue influence.

12. Plaintiff's claims are barred because of a lack of capacity by parties entering into the agreement.

13. Plaintiff is barred from recovery because there was no meeting of the minds on key terms in the contract.

14. Plaintiff is barred from reformation of the agreement because it cannot prove the underlying intent of Defendants.

15. The Plaintiff is barred from specific performance because the lease agreement has been cancelled.

16. The Plaintiff is barred from specific performance because it assigned its interest in the property and obligations to a 3rd party, therefore voiding the option.

17. Plaintiff's claims for compensation on alleged improvements to the property are barred because the plaintiff failed to obtain the consent of Defendants for making such improvements if such exist.

18. Plaintiff's claims in regard to personal property are barred because defendants do not intend to keep personal property belonging to plaintiff on the property unless such property is abandoned.

19. The Plaintiff's contractual claims are barred because of the unequal bargaining position of the parties and unconscionability.

20. The Plaintiff's claims are barred by the doctrine of unclean hands.

COUNTERCLAIM

1. Croft & Reed, Inc. ("CRI") is an Idaho corporation with its principal place of business located in Idaho Falls, Idaho.

2. Steel Farm, Inc. ("Steel Farm") is an Idaho corporation with its principal place of business located at Idaho Falls, Idaho.

3. In April of 2004, CRI agreed to lease farm property it owned to Steel Farms

4. CRI's sole members at the time the lease was entered into was Richard "Dick" Reed and Venna Reed. Dick was suffering from a terminal illness, and died on April 28, 2004. Venna died on November 1, 2007.

5. Dick Reed handled all of the management of CRI, including financial decisions and contracts.

6. The April 2004 lease ("Lease") required Steel Farms to pay \$40,000 annually in rent.

7. Another document titled "Exhibit 1" was attached to the Lease containing a "description of the premises" with the signatures of a "Venna Reed" as "Landlord" and "Kevin Steel" as Tenant. There is no date listed on the document, and the signatures are not notarized.

8. Contained within the Lease is a provision entitled "Option to Purchase Premises" ("Option").

9. Steel Farms subsequently entered into a written sublease agreement ("Sublease") with Walker Land & Cattle LLC (Walker Land) to take over operations of the farm. The legal description of the property subject to the Sublease was substantially different than the legal description of the "premises" described in Exhibit 1 of the Lease.

10. Under the Sublease, Walker Land took on the obligations of the Lease, including the maintenance and upkeep of the leased property, and not doing anything unlawful on the property. Steel Farms was not absolved from its responsibilities to ensure that the obligations and terms of the 2004 Lease and 2006 Sublease were met.

11. In November of 2008, CRI inspected the leased property and discovered improper storage of hazardous materials on the property and that the property was illegally being used as a landfill. These activities were in violation of Idaho law and the Lease and cause for immediate termination of the lease. CRI subsequently sent written notice to Steel Farms and Walker Land of the default and termination of the lease.

12. Steel Farm recorded a "Notice of Option" dated December 3, 2008 in the records for Bonneville County, Idaho. The Notice contained a legal description that is different than the legal description found in Exhibit 1 to the Lease.

13. CRI notified Steel Farms that the Option was invalid and to remove the recorded Notice of Option.

14. CRI has made efforts to market its property. Steel Farm's Notice of Option has clouded the title to its property and has prevented its sale.

COUNT I – DECLARATORY JUDGMENT

15. The Option provision in the 2004 Lease is invalid for any one of the following reasons:

- a. The Option contains material errors and/or omissions including the following:
 - i. The purchase price of the Option is listed as \$330,006.13.
However, the structured payment schedule adds up to \$507,587.42.
 - ii. No consideration is stated for the option. The \$40,000 annual payment is described in the Lease as "rent."
 - iii. The terms for transferring the property, including processes and liability are missing or incomplete.
 - iv. The legal description of the premises stated in Exhibit 1 does not accurately describe the farmland leased to Steel Farms, and in fact describes a parcel of land with several hundred additional acres that does not belong to CRI.
- b. Steel Farms is in default of the Lease and Sublease and therefore according to the terms of the Lease cannot exercise the option to purchase the premises.

- c. The Lease has been terminated, therefore prohibiting Steel Farms from exercising the Option.
 - d. CRI's managers, Dick and Venna Reed lacked capacity to contract.
 - e. Steel Farms took advantage of Dick and Venna's incapacity to enter into a favorable contract.
 - f. The Option and its terms are unconscionable.
 - g. Steel Farms has violated a provision in the Lease which prohibits them from assigning their interests in the Option to a 3rd party without the written consent of CRI, which therefore nullifies the Option.
 - h. Steel Farms waived any right to exercise the option by agreeing to negotiate a new agreement including the drafting of a proposed purchase agreement for the farm.
16. Steel Farms has filed a Notice of Option when it is not entitled to an option to purchase CRI's property.
17. A real controversy exists between CRI and Steel Farms. A declaratory judgment will serve a useful purpose in establishing and settling existing legal issues.
18. CRI is an interested person entitled to obtain a declaration of rights, status or other legal relations pursuant to Idaho Code § 10-1202.
19. CRI is entitled to market its property without recorded notices that errantly affects the rights or ownership of its property

COUNT II – BREACH OF CONTRACT

20. Paragraphs 1 through 19 are incorporated by reference.

21. CRI has performed all of its obligations under the terms of lease agreement with Steel Farms.

22. Steel Farms has failed to perform its obligations upon taking possession of the leased property, including allowing the improper storage and leakage of hazardous materials, and illegal dumping of waste on the property.

23. Steel Farms has also failed to deliver possession of the property back to CRI farms pursuant to the cancellation and/or the end of the lease term.

24. Steel Farm's failure to perform its obligations pursuant to the lease agreement has caused CRI to lose the benefit of its bargain and has damaged CRI in an amount to be proven at trial.

25. CRI has been required to retain the services of Beard St. Clair Gaffney PA in order to protect its rights.

26. CRI is entitled to an award of attorney fees in accordance with the lease agreement, Idaho Code § 6-324, § 12-120, § 12-121, and any other applicable statute or provision.

COUNT III – SLANDER OF TITLE

27. Plaintiff realleges paragraphs 1 through 26 by reference.

28. CRI has full right of ownership of its farm property, including the right to sale the property to a 3rd party.

29. CRI notified Steel Farms that its option to purchase CRI's property was invalid. CRI also notified Steel Farms that even if the option were valid, the lease was

cancelled because of Steel Farms default under the lease, therefore invalidating the option to purchase.

30. Steel Farms proceeded with recording a "Notice of Option" on December 3, 2008, with Bonneville County, Idaho, in regard to CRI's farm property.

31. Steel Farms falsely and maliciously gave notice to the world that it had an option to purchase the property, thus adversely affecting CRI.

32. CRI has incurred special damages in an amount to be proven at trial.

**COUNT IV – INTERFERENCE WITH PROSPECTIVE ECONOMIC
ADVANTAGE**

33. Counterclaimant CRI realleges paragraphs 1 through 32 by reference.

34. CRI had a valid economic expectancy in the sale of its real property.

35. Steel farms had knowledge of CRI's expectancy.

36. In recording the Notice of Option and filing this lawsuit, Steel Farms has essentially terminated CRI's expectancy.

37. Steel Farm's conduct was wrongful or for a improper purpose.

38. Steel Farm's conduct was the proximate cause of or harm to CRI's expectancy.

39. CRI has suffered damage or loss as a result of the Steel Farms interference in an amount to be proven at trial.

40. Counterclaimants are entitled to an award of attorney fees in accordance with Idaho Code § 12-120, § 12-121, I.C.R.P. Rule 54(d)(1) and any other applicable statute or provision.

PRAYER FOR RELIEF

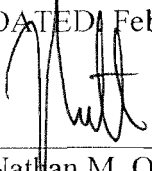
Defendant prays for the following relief:

1. That the Plaintiff's claims be dismissed with Plaintiff taking nothing;
2. That the Court enter its declaratory judgment finding the Plaintiff's Notice of Option null and void.
3. That the Defendant be awarded damages for Plaintiff's breach of contract.
4. That Defendant be awarded its reasonable attorney fees for having to defend this action pursuant to I.C. § 12-120 and 12-121; and
5. For any other relief deemed just by the court.

JURY DEMAND

Pursuant to Idaho Rule of Civil Procedure 38(b), the Defendants/
Counterclaimants demand a trial by jury on all issues triable by a jury

DATED: February 12, 2009



Nathan M. Olsen
Of Beard St. Clair Gaffney PA
Attorneys for the Defendant

CERTIFICATE OF SERVICE

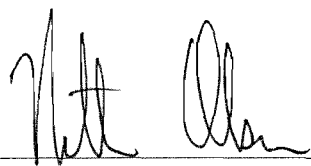
I certify that I am a licensed attorney in the State of Idaho and that on February 12, 2009, I served a true and correct copy of the *ANSWER, COUNTERCLAIM AND DEMAND FOR JURY TRIAL* upon the following by the method of delivery designated:

Charles A. Homer
DeAnne Casperson
Holden Kidwell Hahn & Crapo PLLC
PO Box 50130
Idaho Falls, ID 83405-0130
Fax: (208) 523-9518

☒ US Mail ☐ Hand delivered ☐
Facsimile

Bonneville County Courthouse
605 N. Capital Avenue
Idaho Falls, ID 83402
Fax: (208) 529-1300

☐ US Mail ☒ Hand delivered ☐
Facsimile



Nathan M. Olsen
Of Beard St. Clair Gaffney PA
Attorneys for the Defendant

Charles A. Homer, Esq. (ISB No. 1630)
DeAnne Casperson, Esq. (ISB No. 6698)
HOLDEN KIDWELL HAHN & CRAPO, P.L.L.C.
P.O. Box 50130
1000 Riverwalk Drive, Suite 200
Idaho Falls, ID 83405
Telephone: (208) 523-0620
Facsimile: (208) 523-9518

Attorneys for Plaintiff

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

STEEL FARMS, INC.,

Plaintiff,

v.

CROFT & REED, INC.,

Defendant.

CROFT & REED, INC.,

Counterclaimant,

v.

STEEL FARMS, INC.,

Counterdefendants.

Case No. CV-2008-7912

ANSWER TO COUNTERCLAIM

Counterdefendant Steel Farms, Inc. ("Steel Farms"), by and through its counsel of record, Holden, Kidwell, Hahn & Crapo, P.L.L.C., hereby answers Counterclaimant Croft and Reed, Inc.'s ("Croft and Reed") Counterclaim as follows:

FIRST DEFENSE

Counterclaimant Croft and Reed's Counterclaim fails to state a cause of action against Counterdefendants upon which relief may be granted.

SECOND DEFENSE

Counterdefendant Steel Farms deny each and every allegation contained in Counterclaimant Croft and Reed's Counterclaim not specifically admitted herein.

THIRD DEFENSE

1. In response to paragraph 1 of the Counterclaim, Counterdefendant Steel Farms admits the allegations.
2. In response to paragraph 2 of the Counterclaim, Counterdefendant Steel Farms admits the allegations to the extent Counterclaimants intended to assert that Steel Farms is an Idaho corporation with its principal place of business in Idaho Falls, Idaho.
3. In response to paragraph 3 of the Counterclaim, Counterdefendant Steel Farms admits the allegations.
4. In response to the first sentence of paragraph 4 of the Counterclaim, Counterdefendant Steel Farms is without knowledge or information sufficient to form a belief as to the truth of the allegation and therefore denies the same. With respect to the remainder of paragraph 4, based on information and belief, Counterdefendant Steel Farms admits the allegations.

5. In response to paragraph 5 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
6. In response to paragraph 6 of the Counterclaim, Counterdefendant Steel Farms states that the document speaks for itself and, therefore, no affirmative denial or admission is required. To the extent the paragraph asserts the payments were not part of the purchase price if Steel Farms elected to exercise the Option, the allegations are denied.
7. In response to paragraph 7 of the Counterclaim, Counterdefendant Steel Farms states that the document speaks for itself and, therefore, no affirmative denial or admission is required.
8. In response to paragraph 8 of the Counterclaim, Counterdefendant Steel Farms states that the document speaks for itself and, therefore, no affirmative denial or admission is required.
9. In response to the first sentence of paragraph 9 of the Counterclaim, Counterdefendant Steel Farms admits the first sentence. With respect to the remaining allegations of paragraph 9, Counterdefendant Steel Farms states that the document speaks for itself and, therefore, no affirmative denial or admission is required.
10. In response to paragraph 10 of the Counterclaim, Counterdefendant Steel Farms states that the document speaks for itself and, therefore, no affirmative denial or admission is required. In addition, Counterdefendant Steel Farms states that

paragraph 10 asserts a legal conclusion that requires no response.

Counterdefendant Steel Farms specifically denies any remaining allegation of paragraph 10.

11. In response to the first two sentences of paragraph 11 of the Counterclaim, Counterdefendant Steel Farms denies the allegations. In response to the third sentence, Steel Farms admits that Counterclaimants sent it a letter alleging default and termination of the lease, but denies the remaining allegations of paragraph 11.
12. In response to the first sentence of paragraph 12 of the Counterclaim, Counterdefendant Steel Farms admits the allegations. With respect to the remaining allegations of paragraph 12, Counterdefendant Steel Farms states that the document speaks for itself and, therefore, no affirmative denial or admission is required.
13. In response to paragraph 13 of the Counterclaim, Counterdefendant Steel Farms admits that Counterclaimant sent a letter, claiming the Option was invalid and demanding that the recorded Notice of Option be removed. Counterdefendant Steel Farms specifically denies any remaining allegations of paragraph 13.
14. In response to paragraph 14 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
15. In response to paragraph 15 of the Counterclaim, Counterdefendant Steel Farms denies the allegations, including all subparts. To the extent the allegations rely on language from the Lease and Option, Counterdefendant Steel Farms states that the

document speaks for itself and therefore, no affirmative denial or admission is required.

16. In response to paragraph 16 of the Counterclaim, Counterdefendant Steel Farms admits it recorded a Notice of Option. With respect to the remaining allegations of paragraph 16, Counterdefendant Steel Farms denies the allegations.
17. In response to paragraph 17 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
18. In response to paragraph 18 of the Counterclaim, Counterdefendant Steel Farms states that the paragraph asserts a legal conclusion that requires no response. To the extent paragraph 18 asserts any factual allegations, Counterdefendant Steel Farms denies such allegations.
19. In response to paragraph 19 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
20. Counterdefendant Steel Farms realleges and incorporates by reference paragraphs 1 through 19 as though fully set forth herein.
21. In response to paragraph 21 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
22. In response to paragraph 22 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
23. In response to paragraph 23 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.

24. In response to paragraph 24 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
25. In response to paragraph 25 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
26. In response to paragraph 26 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
27. Counterdefendant Steel Farms realleges and incorporates by reference paragraphs 1 through 26 as though fully set forth herein.
28. In response to paragraph 28 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
29. In response to paragraph 29 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
30. In response to paragraph 30 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
31. In response to paragraph 31 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
32. In response to paragraph 32 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
33. Counterdefendant Steel Farms realleges and incorporates by reference paragraphs 1 through 32 as though fully set forth herein.

34. In response to paragraph 34 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
35. In response to paragraph 35 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
36. In response to paragraph 36 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
37. In response to paragraph 37 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
38. In response to paragraph 38 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
39. In response to paragraph 39 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.
40. In response to paragraph 40 of the Counterclaim, Counterdefendant Steel Farms denies the allegations.

FIRST AFFIRMATIVE DEFENSE

Counterclaimant has voluntarily waived any right to object to the capacity of either Dick or Venna Reed by having knowledge of Counterclaimant's intention of entering into the Lease and Option Agreement and failing to take any action to notify Counterdefendant Steel Farms of any alleged incapacity and/or seeking to appoint someone to act on either Dick or Venna Reed's behalf.

SECOND AFFIRMATIVE DEFENSE

That Counterclaimant is equitably estopped from asserting its Counterclaim by agreeing to and accepting the Option payments over the term of the Option.

THIRD AFFIRMATIVE DEFENSE

That Counterclaimant was at the time and place set forth in its Counterclaim guilty of carelessness and negligence which proximately contributed to the alleged environmental contamination and the Counterclaimant's alleged injuries.

FOURTH AFFIRMATIVE DEFENSE

That both parties to the alleged contract in question were mutually mistaken as to the property description, such that both parties believed the property description in the Lease and Option was correct and in reality the description mistakenly included property not belonging to Counterclaimant.

FIFTH AFFIRMATIVE DEFENSE

Counterclaimant's damages, if any, are the result of its own actions or inactions or others for whom Counterdefendant is not responsible.

SIXTH AFFIRMATIVE DEFENSE

That the Counterclaimant breached an implied covenant of good faith and fair dealing by inducing Counterdefendant Steel Farms into structuring the purchase of the property by way of an Option to benefit Counterclaimant for tax purposes and then failing to honor the Option.

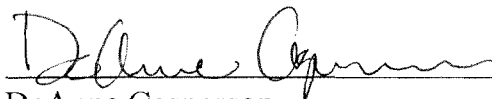
SEVENTH AFFIRMATIVE DEFENSE

That the Counterclaimant was guilty of laches and unreasonable delay in bringing this action and in asserting any cause of action against Counterdefendant and that such laches and unreasonable delay were without good cause and substantially prejudiced Counterdefendant.

EIGHTH AFFIRMATIVE DEFENSE

Counterdefendant has considered and believe there may be additional defenses to the Counterclaimant's Counterclaim, however, does not have sufficient information at this time to assert additional defenses pursuant to Rule 11 of the Idaho Rules of Civil Procedure. This answering Counterdefendant does not intend to waive any additional defenses and specifically reserves the right to assert additional defenses as discovery in this matter proceeds.

WHEREFORE having answered the Counterclaimant Croft & Reed's Counterclaim in this matter, Counterdefendant Steel Farms prays that the Counterclaim be dismissed with prejudice and that Counterclaimant take nothing thereby. Counterdefendant Steel Farms further pray for an award of its reasonable costs and attorneys' fees incurred in defending this matter.



DeAnne Casperson

HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Dated: 3/4/09

CERTIFICATE OF SERVICE


I hereby certify that on this 4th day of March, 2009, I served a copy of the following described pleading or document on the attorneys listed below by hand delivering, by mailing or by facsimile, with the correct postage thereon, a true and correct copy thereof.

DOCUMENT SERVED: **ANSWER TO COUNTERCLAIM**

ATTORNEYS SERVED:

Nathan M. Olsen
BEARD, ST. CLAIR, GAFFNEY, P.A.
2105 Coronado Street
Idaho Falls, ID 83404-7495

(☒) *First Class Mail*
() *Hand Delivery*
() *Facsimile*
() *Overnight Mail*



DeAnne Casperson, Esq.

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Nathan M. Olsen, ISB No. 7373
BEARD ST. CLAIR GAFFNEY PA
2105 Coronado Street
Idaho Falls, ID 83404-7495
Telephone: (208) 523-5171
Facsimile: (208) 529-9732

Attorney for Defendant/Counterclaimant, Croft & Reed, Inc.

**DISTRICT COURT SEVENTH JUDICIAL DISTRICT
BONNEVILLE COUNTY IDAHO**

STEEL FARMS, INC.

Plaintiff,

vs.

CROFT & REED, INC.,

Defendant.

Case No.: CV-08-7912

CROFT & REED, INC.'S MOTION
FOR SUMMARY JUDGMENT

CROFT & REED, INC.

Counterclaimant,

vs.

STEEL FARMS, INC.; DOUG STEEL,
individually; and KEVIN STEEL,
individually,

Counterdefendants.

Defendant/Counterclaimant, Croft & Reed, Inc. (CRI), by and through counsel of record, Nathan M. Olsen of Beard St. Clair Gaffney PA, submits its Motion for Summary Judgment. This motion is supported by its memorandum and the affidavits of Nathan M. Olsen, Virginia R. Mathews, and Russell J. Mathews filed herewith.

The basis for CRI's motion is as follows:

1) The facts demonstrate that a lease agreement between the plaintiffs, Steel Farms, Inc. (Steel Farms), and CRI was not extended beyond March 1, 2008, and was

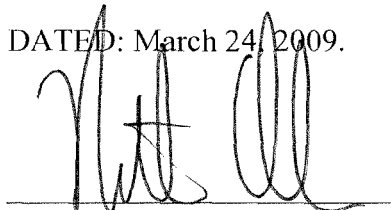
therefore in a "holdover" period after that date. Steel Farms is therefore prevented from exercising an option to purchase property owned by CRI because the written lease agreement between the parties disallows Steel Farms from exercising the option during a "holdover" period; and

2) Notwithstanding whether the lease was in a "holdover" period, Steel Farms was in default of the lease, or CRI was justified in immediately terminating the lease because of unlawful activities occurring on the property discovered in November 2008. The written lease agreement prevents the exercising of the option when the lease is in default or has been terminated.

CRI requests the following relief in support of its motion:

- 1) Steel Farms' claims and requested relief in relation to CRI's real property, including its alleged right to exercise an option to purchase CRI's property be dismissed;
- 2) A declaration of Steel Farm's Notice of Option to be null and void and withdrawn from the public record;
- 3) That Steel Farms be held liable for its breach of contract of the written lease agreement, with the amount of damages to be determined at trial;
- 4) That Steel Farms be held liable for slander of title, with damages to be determined at trial; and
- 5) Any other relief deemed justified by the Court.

DATED: March 24, 2009.



Nathan M. Olsen
Of Beard St. Clair Gaffney PA
Attorney for Croft & Reed, Inc.

CERTIFICATE OF SERVICE

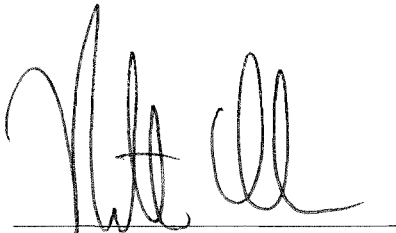
I certify that I am a licensed attorney in the State of Idaho and that on March 24, 2009, I served a true and correct copy of the CROFT & REED, INC.'S MOTION FOR SUMMARY JUDGMNET upon the following by the method of delivery designated:

Charles A. Homer
DeAnne Casperson
Holden Kidwell Hahn & Crapo PLLC
PO Box 50130
Idaho Falls, ID 83405-0130
Fax: 523-9518

☒ US Mail ☐ Hand delivered ☐ Facsimile

Bonneville County Courthouse
605 N Capital Avenue
Idaho Falls, ID 83402
Fax: 529-1300

☒ US Mail ☐ Hand delivered ☐ Facsimile



Nathan M. Olsen
Of Beard St. Clair Gaffney PA
Attorney for Croft & Reed, Inc.

Charles A. Homer, Esq. (ISB No. 1630)
DeAnne Casperson, Esq. (ISB No. 6698)
HOLDEN KIDWELL HAHN & CRAPO, P.L.L.C.
P.O. Box 50130
1000 Riverwalk Drive, Suite 200
Idaho Falls, ID 83405
Telephone: (208) 523-0620
Facsimile: (208) 523-9518

Attorneys for Plaintiff

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

STEEL FARMS, INC.,

Plaintiff,

v.

CROFT & REED, INC.,

Defendant.

CROFT & REED, INC.,

Counterclaimant,

v.

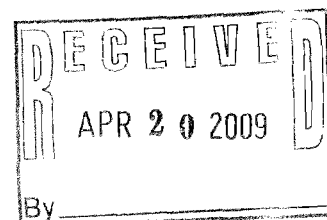
STEEL FARMS, INC.,

Counterdefendants.

Case No. CV-2008-7912

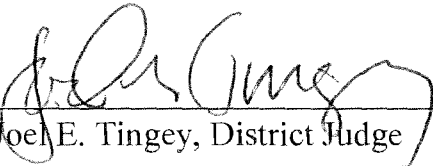
**ORDER TO VACATE AND RESET
HEARING ON MOTION FOR
SUMMARY JUDGMENT**

Pursuant to the Stipulation of the parties on file herein, and the Court being
advised on the premises;



IT IS HEREBY ORDERED AND THIS COURT DOES ORDER that the hearing on Defendant's Motion for Summary Judgment in this matter presently scheduled for April 29, 2009, at 9:00 a.m., shall be vacated and rescheduled for May 19, 2009, at 10:00 a.m.

Dated: 4-22-09



Joel E. Tingey, District Judge

CLERK'S CERTIFICATE OF MAILING

I hereby certify that I served a copy of the following described pleading or document on the attorneys listed below by hand delivering, by mailing or by facsimile, with the correct postage thereon, on this 22 day of April, 2009.

DOCUMENT SERVED: **ORDER TO VACATE AND RESET HEARING ON MOTION FOR SUMMARY JUDGMENT**

PARTIES SERVED:

Nathan M. Olsen
BEARD, ST. CLAIR, GAFFNEY, P.A.
2105 Coronado Street
Idaho Falls, ID 83404-7495

() *First Class Mail*
() *Hand Delivery*
() *Facsimile*
(☒) *Courthouse Mailbox*

DeAnne Casperson
Holden, Kidwell, Hahn & Crapo, P.L.L.C.
1000 Riverwalk Drive, Suite 200
PO Box 50130
Idaho Falls, ID 83405

() *First Class Mail*
() *Hand Delivery*
() *Facsimile*
(☒) *Courthouse Mailbox*

CLERK OF THE DISTRICT COURT

By: ms
Deputy Clerk

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Charles A. Homer, Esq. (ISB No. 1630)
DeAnne Casperson, Esq. (ISB No. 6698)
HOLDEN KIDWELL HAHN & CRAPO, P.L.L.C.
P.O. Box 50130
1000 Riverwalk Drive, Suite 200
Idaho Falls, ID 83405
Telephone: (208) 523-0620
Facsimile: (208) 523-9518

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CLERK OF DISTRICT COURT
SEVENTH JUDICIAL DISTRICT
BONNEVILLE COUNTY
IDAHO

Attorneys for Plaintiff

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

STEEL FARMS, INC.,

Plaintiff,

v.

CROFT & REED, INC.,

Defendant.

Case No. CV-2008-7912

**AFFIDAVIT OF DEANNE
CASPERSON IN OPPOSITION TO
CROFT & REED'S MOTION FOR
SUMMARY JUDGMENT**

CROFT & REED, INC.,

Counterclaimant,

v.

STEEL FARMS, INC.,

Counterdefendants.

STATE OF IDAHO)
) ss.
County of Bonneville)

DEANNE CASPERSON, being first duly sworn on oath deposes and states as follows:

80

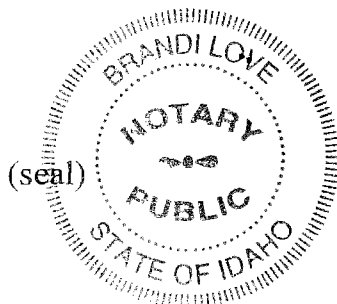
ORIGINAL

1. I am an attorney with the firm of Holden, Kidwell, Hahn & Crapo, P.L.L.C., and an attorney of record on behalf of Plaintiff Steel Farms, Inc. I submit this Affidavit based upon my own personal knowledge unless otherwise stated, and opposition to Croft & Reed, Inc.'s Motion for Summary Judgment.
2. Attached hereto as Exhibit "A" is a true and correct copy of the cover page and relevant portions of the deposition of Virginia Mathews, taken on April 3, 2009.
3. Attached hereto as Exhibit "B" is a copy of the Bylaws, the only copy of which has been produced by Croft & Reed, Inc. through discovery in this matter.
4. Attached hereto as Exhibit "C" is a true and correct copy of Croft & Reed, Inc.'s annual reports for 2004 through 2006 as obtained from the Idaho Secretary of State.

Dated this 5th day of May, 2009.

DeAnne Casperson
DeAnne Casperson

SUBSCRIBED AND SWORN to before me this 5th day of May, 2009.



Brandi Love
Notary Public for Idaho
Residing at: Idaho Falls ID
My commission expires: 4/12/2014

CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the following described pleading or document on the attorneys listed below by hand delivering, by mailing or by facsimile, with the correct postage thereon, on this 5th day of May, 2009.

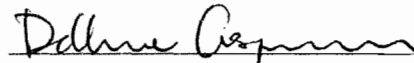
DOCUMENT SERVED:

**AFFIDAVIT OF DEANNE CASPERSON IN
OPPOSITION TO CROFT & REED'S
MOTION FOR SUMMARY JUDGMENT**

ATTORNEYS SERVED:

Nathan Olsen
BEARD, ST. CLAIR, GAFFNEY, P.A.
2105 Coronado Street
Idaho Falls, ID 83404-7495

(☒) *First Class Mail*
(☐) *Hand Delivery*
(☒) *Facsimile*
(☐) *Overnight Mail*



DeAnne Casperson, Esq.

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Transcript of the Testimony of **Virginia Mathews**

Date: April 3, 2009

Volume: I

Case: STEEL FARMS, INC. v. CROFT & REED, INC.

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1 MR. OLSEN: Assumes facts not in
2 evidence. Speculation.

3 A. If I recall correctly, he said
4 something about something was wrong with the
5 Lease, I need you to initial it.

6 I said: I don't have the authority to
7 initial anything.

8 He kind of looked at me and was, like:
9 Well, just do it anyway.

10 That's what I recall that happened.
11 BY MS. CASPERSON:

12 Q. Isn't it true that you had previously
13 had a conversation with Mr. Steel in which you
14 told him not to deal with your mother anymore,
15 but to come directly to you?

16 A. I told Mr. Steel that he could call me
17 and not my mother.

18 Q. And you specifically told him not to
19 call your mother, correct?

20 A. Because my mother asked me to.

21 Q. Okay. So, you told him to deal
22 exclusively with you and not with your mother.

23 MR. OLSEN: Misstatement of testimony.

24 BY MS. CASPERSON:

25 Q. Correct?

1 A. I was doing what my mother wished.

2 Q. Within that direction that she had
3 given you, who else could Mr. Steel have gone to
4 then on that day?

5 MR. OLSEN: Argumentative.

6 A. He could have asked me if it was all
7 right to go to mother's and have her sign a
8 paper.

9 BY MS. CASPERSON:

10 Q. Okay. And you could have also said:
11 Why don't we take it down to mother's and let's
12 see what she wants to do, correct?

13 MR. OLSEN: Argumentative.

14 A. The thought didn't enter my mind at the
15 time. I was feeling very uncomfortable.

16 BY MS. CASPERSON:

17 Q. In what way were you feeling
18 uncomfortable?

19 A. That he wanted me to sign a document
20 that I just told him that I didn't have the
21 authority to sign.

22 Q. But that you did sign.

23 A. Yes, I did.

24 Q. After you signed this document, did you
25 call up your mother and say: Hey, Kevin just

1 stopped here and I signed a document for Croft &
2 Reed?

3 A. I would not have said that.

4 Q. Did you have a conversation with her at
5 all?

6 A. I talked to my mother about all the
7 things that Kevin would call me or talk to me
8 about.

9 Q. But that's not what I asked you.
10 I asked you if you had a conversation
11 with your mother specifically about you putting
12 your initials on this Lease.

13 A. I don't recall that exact conversation.

14 Q. If you didn't think you had authority
15 to sign it, why wouldn't you go back to the
16 person you claim had authority to sign and say:
17 I just did this?

18 MR. OLSEN: Argumentative.

19 BY MS. CASPERSON:

20 Q. Is it okay?

21 MR. OLSEN: Argumentative.

22 A. Well, I just told him I didn't have the
23 authority. I didn't think that it would have
24 meant anything.

25 BY MS. CASPERSON:

1 Q. You didn't think putting your initials
2 down on a document would mean anything?

3 A. Because I told him I didn't have the
4 authority.

5 Q. But by signing it, you're indicating
6 that you do have authority, aren't you?

7 A. No.

8 Q. Okay. So, you signed it and then you
9 didn't take any action to address it with your
10 mother, correct?

11 A. I'm sure I told her at some point, yes.

12 Q. And did she say: Oh, you shouldn't
13 have done that?

14 A. I don't recall the conversation.

15 Q. But you never took any action to go
16 back to Kevin and say: Hey, I think we need to
17 fix this. I didn't have authority to sign.
18 You're going to have to deal with my mother.

19 A. I had already told him that I didn't
20 have the authority to sign. I wouldn't need to
21 repeat myself to him.

22 Q. Well, you told him that you didn't have
23 authority to sign, but then you went forward and
24 did it anyway.

25 MR. OLSEN: Asked and answered.

1 A. He didn't seem to care whether I had
2 authority or not because he wanted me to do it
3 anyway.

4 BY MS. CASPERSON:

5 Q. Well, didn't he explain to you that he
6 was the Secretary of a Corporation and he had
7 authority to sign?

8 MR. OLSEN: Assumes facts not in
9 evidence.

10 A. He didn't say anything like that to me.

11 BY MS. CASPERSON:

12 Q. He never explained that it was his
13 understanding that an Officer of a Corporation
14 has authority to sign on its behalf?

15 A. He never told me that.

16 Q. But he did tell you that it was his
17 understanding that you did have authority to
18 sign.

19 A. I don't recall him ever saying that.

20 Q. I thought you had already testified
21 that that's what he did tell you.

22 A. He never asked me if I was --

23 I don't recall. I don't recall you
24 ever asking me anything about what you just said.

25 Q. Okay. So, you're saying he didn't

1 explain to you that he thought you had authority
2 to sign?

3 A. No. I don't recall ever --

4 Q. He just stuck it in your face and said:
5 Sign it?

6 A. Yes.

7 Q. And you just did it.

8 A. I told him I didn't have any authority
9 to sign on Croft & Reed's behalf.

10 And he told me to do it anyway.

11 Q. Okay. With all due respect, Ms.
12 Mathews, if someone asks you to do something that
13 you don't have authority to do, why wouldn't you
14 say no?

15 A. Well, my question would be: Why didn't
16 he just ask me then who does have the authority?

17 Q. But you had already told him not to
18 deal with your mother, correct?

19 MR. OLSEN: Argumentative.

20 A. I asked him to call me and not my
21 mother, yes.

22 BY MS. CASPERSON:

23 Q. Okay.

24 A. Because my mother asked me to.

25 Q. Looking at this Lease Agreement, if

**AMENDED AND RESTATED
BYLAWS
OF
CROFT & REED, INC.**

**ARTICLE I
OFFICES**

Section 1.1 Registered Office. The registered office of the corporation may, but need not, be the same as any of its principal places of business in the state of Idaho. In any case, the corporation's registered office shall be the business office of the registered agent. The address of the registered office may be changed from time to time by the Board of Directors or the President of the corporation.

Section 1.2 Principal Office; Other Offices. The corporation may also have and maintain an office or principal place of business in Idaho Falls, Idaho, or at such other place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the state of Idaho, as the Board of Directors may from time to time determine or the business of the corporation may require.

**ARTICLE II
CORPORATE SEAL**

Section 2.1 Corporate Seal. The corporation may have a corporate seal, which may be altered at will by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

**ARTICLE III
SHAREHOLDERS' MEETINGS**

Section 3.1 Place of Meetings. The Board of Directors may designate any place, either within or without the state of Idaho, as the place of meeting for any annual meeting or for any special meeting of shareholders called by or at the direction of the Board of Directors. A waiver of notice signed by all shareholders entitled to vote at a meeting may designate any place, either within or without the state of Idaho, as the place for the holding of such meeting. If no place is designated by the Board of Directors or if

a special meeting be called otherwise than by or at the direction of the Board of Directors, the place of meeting shall be the principal office of the corporation.

Section 3.2 Annual Meetings. The annual meeting of the shareholders of the corporation shall be held on the fourth Tuesday in the month beginning each fiscal year of the corporation, or on such other date and at such other time which may from time to time be designated by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting. The failure to hold an annual meeting at the time stated or otherwise designated as provided herein shall not effect the validity of any corporate action.

Section 3.3 Special Meetings. Special meetings of the shareholders of the corporation may be called at any time, for any purpose or purposes, by the Board of Directors or the president of the corporation or by the holders of at least twenty percent (20%) of the votes entitled to be cast on any issue proposed to be considered at the meeting (provided that such holders sign, date and deliver to the corporation's secretary one or more written demands for the meeting describing the purpose(s) for which it is to be held).

Section 3.4 Notice of Meetings. The corporation shall notify shareholders of the date, time and place of each annual and special shareholders' meeting and, in case of a special meeting, a description of the purpose or purposes for which the meeting is called, no fewer than ten (10) nor more than sixty (60) days before the meeting date. Only business within the purpose(s) described in the special meeting notice may be conducted at such special meeting.

Section 3.5 Waiver of Notice. Notice of any meeting of shareholders may be waived in writing, signed by the person entitled to notice thereof and delivered to the corporation for inclusion in the corporate minutes or filing with the corporate records, either before or after the date and time stated in the notice, and, absent objection made in accordance with the Idaho Business Corporation Act ("IBCA"), will be waived by any shareholder by his attendance thereat in person or by proxy. Any shareholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice hereof had been given.

Section 3.6 Quorum. Unless the IBCA or the Articles of Incorporation impose a greater requirement, a majority of the votes, represented in person or by proxy, entitled to be cast on a matter shall constitute a quorum of that voting group for action on that matter. Once a share is represented for any purpose at a meeting, it is deemed present for

quorum purposes for the remainder of the meeting and any adjournment thereof unless a new record date is or must be set for that adjourned meeting.

Section 3.7 Adjournment and Notice of Adjourned Meetings. Any meeting of shareholders at which a quorum is present, whether annual or special, may be adjourned from time to time by the vote of a majority of the votes entitled to be cast at the meeting. If an annual or special shareholders' meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before adjournment. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 3.8 Proxies. At all meetings of shareholders, a shareholder may vote either in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact. An appointment of proxy is effective upon receipt, before or at the time of the meeting, by the secretary of the corporation or other officer or agent authorized to tabulate votes.

Section 3.9 Voting Rights (Non-cumulative Voting). Only shares are entitled to vote. Except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Sections 3.11 and 7.4 of these Bylaws, shall be entitled to vote on any matter. Unless the Articles of Incorporation provide otherwise, each outstanding share, regardless of class, is entitled to one (1) vote on each matter voted on at a shareholders' meeting. If a quorum exists, action on a matter, other than the election of directors, is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the Articles of Incorporation or the IBCA require a greater number of affirmative votes. Unless otherwise provided in the Articles of Incorporation, directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. Shareholders shall have no right to cumulate their votes for directors.

Section 3.10 Corporation's Acceptance of Votes.

(a) If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a shareholder, the corporation if acting in good faith is entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder.

(b) If the name signed on a vote, consent, waiver, or proxy appointment does not correspond to the name of its shareholder, the corporation if acting in good faith is nevertheless entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder if so entitled by provisions of the IBCA.

(c) The corporation is entitled to reject a vote, consent, waiver, or proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

(d) The corporation is not entitled to vote treasury shares. Absent special circumstances, the corporation's shares are not entitled to vote if they are owned, directly or indirectly, by a second corporation, domestic or foreign, and if this corporation owns, directly or indirectly, a majority of the shares entitled to vote for directors of the second corporation; provided, however, that this provision does not limit the power of the corporation to vote any shares, including its own shares, held by it in a fiduciary capacity.

Section 3.11 List of Shareholders. After fixing a record date for a meeting, the corporation shall prepare an alphabetical list of the names of all its shareholders who are entitled to notice of such meeting. The shareholders' list must show the address and number of shares registered in the name of each shareholder and be available for inspection by any shareholder, at least ten (10) days before the meeting for which the list was prepared and continuing through the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder, his agent, or attorney is entitled on written demand to inspect and, subject to the requirements of Idaho Code § 30-1-1602(3), to copy the list, during regular business hours and at his expense, during the period it is available for inspection. The corporation shall make the shareholders' list available at the meeting; and any shareholder, his agent, or attorney is entitled to inspect the list at any time during the meeting or any adjournment. Refusal or failure to prepare or make available the shareholders list does not affect the validity of action taken at the meeting.

Section 3.12 Conduct of Meeting. At every meeting of shareholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the president, or, if the president is absent, the most senior vice president present, or in the absence of any such officer, a chairman of the meeting chosen by a majority in interest of the shareholders entitled to vote, present in person or by proxy, shall act as chairman. The secretary or, in his absence, an assistant secretary directed to do so by the president, shall act as secretary of the meeting.

Section 3.13 Action Without Meeting. Action required or permitted by IBCA to be taken at a shareholders' meeting may be taken without a meeting if the action is taken by all the shareholders entitled to vote on the action. The action must be evidenced by one (1) or more written consents describing the action taken, signed by all the shareholders entitled to vote on the action, and delivered to the corporation for inclusion in the minutes or filing with the corporate records. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document.

ARTICLE IV DIRECTORS

Section 4.1 Powers. All corporate powers shall be exercised by and under the authority, and the business and affairs of the corporation shall be managed under the direction, of the Board of Directors, subject to any limitations set forth in the Articles of Incorporation or any shareholder agreement authorized under the IBCA.

Section 4.2 Variable Range-Size Board; Qualifications. The number of directors presently authorized is one (1). The authorized number of directors of the corporation may range between one and three, and may be fixed or changed from time to time, within the minimum and maximum, by the shareholders or the Board of Directors. After shares are issued, only the shareholders may change the range for the size of the Board or change from a variable-range size Board to a fixed size Board. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. A director need not be a resident of the state of Idaho or a shareholder of the corporation unless so required by the Articles of Incorporation. If for any cause the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the shareholders called for that purpose in the manner provided by law or in these Bylaws.

Section 4.3 Term. The terms of the initial directors shall expire at the first shareholders meeting at which directors are elected. Directors are elected at the first annual meeting of shareholders and at each annual meeting thereafter. Each director shall serve until the next annual meeting of shareholders and thereafter, despite the expiration of his term, until his successor is duly elected and qualifies, or until there is a decrease in the number of directors, or until his earlier death, resignation or removal.

Section 4.4 Resignation. A director may resign at any time by delivering written notice to the Board of Directors, its chairman, or the corporation.

Section 4.5 Removal. The shareholders may remove one (1) or more directors with or without cause unless the Articles of Incorporation provide that directors may be removed only for cause. If cumulative voting is authorized, a director may not be removed if the number of votes sufficient to elect him under cumulative voting is voted against his removal. If cumulative voting is not authorized, a director may be removed only if the number of votes cast to remove him exceeds the number of votes cast not to remove him. A director may be removed by the shareholders only at a meeting called for the purpose of removing him; and the meeting notice must state that the purposes, or one of the purposes, of the meeting is removal of the director.

Section 4.6 Newly Created Directorships and Vacancies. Unless the Articles of Incorporation provide otherwise, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause may be filled by the affirmative vote of a majority of the remaining directors then in office even if they constitute fewer than a quorum of the authorized Board of Directors, or may be filled by the shareholders. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4.7 Meetings.

(a) Annual Meetings. The annual meeting of the Board of Directors shall be held immediately after the annual meeting of shareholders and at the place where such meeting is held. No notice of an annual meeting of the Board of Directors shall be necessary; and such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it.

(b) Place of Meetings. Regular and special meetings of the Board of Directors, or of any committee designated by the Board, may be held at any place within or without the state of Idaho.

(c) Telephone Meetings. Unless the Articles of Incorporation provide otherwise, any member of the Board of Directors, or of any committee thereof, may participate in a regular or special meeting by, or conduct the meeting through the uses of, any means of conference telephone or similar communications equipment by which all directors participating in the meeting may simultaneously hear each other during the meeting. A director participating in a meeting by such means is deemed to be present in person at such meeting.

(d) Notice of Meetings. Notice of the date, time and place of any regular or special meeting of the Board of Directors shall be delivered at least two (2) days prior to the meeting; provided that the Board of Directors may provide, by resolution, the date, time and place, either within or without the state of Idaho, for the holding of regular meetings without notice other than such resolution. Neither the business to be transacted at, nor the purpose(s) of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

(e) Waiver of Notice. A director may waive any notice required by the IBCA, the Articles of Incorporation or these Bylaws at any time before or after the date and time stated in the notice. Except as otherwise provided below in this Section 4.7(5), such waiver must be signed by the director and filed with the minutes or corporate records. The attendance of a director at or participation in a meeting shall constitute a waiver of notice of such meeting unless the director, at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting any business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

Section 4.8 Quorum and Voting.

(a) Quorum. Unless the Articles of Incorporation or these Bylaws require a greater number or unless otherwise specifically provided by the IBCA, a quorum of the Board of Directors consists of (i) a majority of the fixed number of directors if the corporation has a fixed board size or (ii) a majority of the number of directors prescribed, or if no number is prescribed the number in office immediately before the meeting begins, if the corporation has a variable-range size board.

(b) Majority Vote. If a quorum is present when a vote is taken, the affirmative vote of the majority of the directors present shall be the act of the Board of Directors, unless the Articles of Incorporation or these Bylaws require the vote of a greater number of directors.

(c) Deemed Assent. A director of the corporation who is present at a meeting of the Board of Directors (or any committee thereof) at which action on any corporate matter is taken is deemed to have assented to the action taken unless: he objects at the beginning of the meeting, or promptly upon his arrival, to holding it or transacting business at the meeting; his dissent or abstention from the action taken is entered in the minutes of the meeting; or he delivers written notice of his dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately

after the adjournment of the meeting. Such right to dissent is not available to a director who voted in favor of the action taken.

Section 4.9 Action Without a Meeting. Unless otherwise provided by the Articles of Incorporation, any action required or permitted by the IBCA to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more written consents describing the action taken, signed by each member of the Board of Directors or of the committee, as the case may be, and included in the minutes or filed with the corporate records reflecting the action taken.

Section 4.10 Fees and Compensation. Unless the Articles of Incorporation provide otherwise, the Board of Directors may fix the compensation of directors.

Section 4.11 General Standards for Directors. A director shall discharge his duties as director, including his duties as a member of any committee of the Board of Directors on which he may serve, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he reasonably believes to be in the best interests of the corporation. In discharging his duties, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:

- (a) One (1) or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;
- (b) Legal counsel, public accountants or other persons as to matters the director reasonably believes are within such person's professional or expert competence; or
- (c) A committee of the Board of which he is not a member if the director reasonably believes the committee merits confidence.

A director is not acting in good faith if he has knowledge concerning the matter in question that makes such reliance otherwise permitted by this Section 4.11 unwarranted.

Section 4.12 Committees.

- (a) Unless the Articles of Incorporation provide otherwise, the Board of Directors may create one or more committees and appoint members of the Board of

Directors to serve on them. Each committee must have two or more members, each of whom shall serve at the pleasure of the Board of Directors.

(b) The creation of, delegation of authority to, or action by a committee does not alone constitute compliance of a director with the standards of conduct described in the IBCA or Section 4.11 of these Bylaws.

ARTICLE V

DIRECTOR CONFLICTS OF INTEREST

Section 5.1 Permissible Transactions. The corporation may enter into a director's conflict of interest transaction (as defined in the IBCA) if either directors' action or shareholders' action respecting the transaction is taken at any time in compliance with Sections 5.2 or 5.3, respectively.

Section 5.2 Directors' Action.

(a) For purposes of Section 5.1, directors' action respecting a transaction is effective if the transaction received the affirmative vote of a majority, but no fewer than two (2), of those qualified directors on the Board of Directors or on a duly empowered committee of the Board who voted on the transaction after either required disclosure to them, to the extent the information was not known by them, or compliance with subsection (2) of this Section; provided that action by a committee is so effective only if:

(1) All its members are qualified directors; and

(2) Its members are either all the qualified directors on the Board or are appointed by the affirmative vote of a majority of the qualified directors on the Board.

(b) If a director has a conflicting interest respecting a transaction, but neither he nor a related person of the director is a party to the transaction, and if the director has a duty under law or professional canon, or a duty of confidentiality to another person, respecting information relating to the transaction such that the director may not make the disclosure required by the IBCA, then disclosure is sufficient for purposes of subsection (1) of this Section if the director:

(1) Discloses to the directors voting on the transaction on the existence and nature of his conflicting interest and informs them of the character and limitations imposed by that duty before their vote on the transaction, and

(2) Plays no part, directly or indirectly, in their deliberations or vote.

(c) A majority, but no fewer than two (2), of all the qualified directors on the Board of Directors, or on the committee, constitutes a quorum for purposes of action that complies with this Section. Directors' action that otherwise complies with this Section is not affected by the presence or vote of a director who is not a qualified director.

(d) For purposes of this Section, "qualified director" means, with respect to a director's conflicting interest transaction, any director who does not have either:

(1) A conflicting interest respecting the transaction, or

(2) A familial, financial, professional, or employment relationship with a second director who does have a conflicting interest respecting the transaction, which relationship would, in the circumstances, reasonably be expected to exert an influence on the first director's judgment when voting on the transaction.

Section 5.3 Shareholders' Action.

(a) For purposes of Section 5.1, shareholders' action respecting a transaction is effective if a majority of the votes entitled to be cast by the holders of all qualified shares were cast in favor of the transaction after:

(1) Notice to shareholders describing the director's conflicting interest transaction;

(2) Provision of the information referenced in subsection (4) of this Section; and

(3) Required disclosure to the shareholders who voted on the transaction, to the extent the information was not known by them.

(b) For purposes of this Section, "qualified shares" means any shares entitled to vote with respect to the director's conflicting interest transaction except shares that, to the knowledge, before the vote, of the secretary, or other officer or agent of the corporation authorized to tabulate votes, are beneficially owned, or the voting of which is controlled, by a director who has a conflicting interest respecting the transaction or by a related person of the director or both.

(c) A majority of the votes entitled to be cast by the holders of all qualified shares constitutes a quorum for purposes of action that complies with this Section. Subject to the provisions of subsection (4) of this Section, shareholders' action that otherwise complies with this Section is not affected by the presence of holders, or the voting, of shares that are not qualified shares.

(d) For purposes of compliance with subsection (1) of this Section, a director who has a conflicting interest respecting the transaction shall, before the shareholders' vote, inform the secretary, or other office or agent of the corporation authorized to tabulate votes, of the number, and the identity of persons holding or controlling the vote, of all shares that the director knows are beneficially owned, or the voting of which is controlled, by the director or by a related person of the director or both.

ARTICLE VI OFFICERS

Section 6.1 Officers Designated. The officers of the corporation consist of a president, a secretary and a treasurer, each of whom shall be appointed by the Board of Directors. The Board of Directors or the President may appoint such other officers or assistant officers as may be deemed necessary or desirable. The same individual may simultaneously hold more than one office.

Section 6.2 Tenure and Duties of Officers.

(a) Term of Office. Each officer shall hold office at the pleasure of the Board of Directors or until death, resignation or removal. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) The President. The president shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. If so authorized by the Board of Directors, he may appoint such other officers or assistant officers as he deems appropriate to the conduct of the corporation's business. He shall, when present, preside at all meetings of the shareholders and of the Board of Directors. He may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation,

or shall be required by law to be otherwise signed or executed; and in general the president shall perform all duties commonly incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

(c) The Vice President. In the absence of the president or in the event of his removal, resignation, death, or inability or refusal to act, the vice president (or in the event there is more than one vice president, the vice presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice president may sign, with the secretary or an assistant secretary, certificates for shares of the corporation; and the vice president shall perform other duties commonly incident to the office of vice president and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

(d) The Secretary. The secretary shall: (i) attend all meetings and keep the minutes of the meetings and other proceedings of the shareholders and of the Board of Directors in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of and responsible for authentication of the corporate records, and be custodian of the seal of the corporation and see that seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (iv) keep a register of the post office address of each shareholder which shall be furnished to the secretary by such shareholder; (v) sign, with the president, or a vice president, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (vi) have general charge of the stock transfer books of the corporation; and (vii) in general perform all duties commonly incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

(e) The Treasurer. The treasurer shall: (i) have charge and custody of and be responsible for all funds and securities of the corporation; (ii) receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these Bylaws; and (iii) in general perform all of the duties commonly incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors. If required by the Board of Directors, the treasurer

shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

(f) Assistant Secretaries and Assistant Treasurers. The assistant secretaries, when authorized by the Board of Directors, may sign with the president or a vice president certificates for shares of the corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The assistant treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant secretaries and treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, or by the president or the Board of Directors.

Section 6.3 Resignations. Any officer may resign at any time by delivering written notice to the corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective.

Section 6.4 Removal. The Board of Directors may remove any officer at any time without or without cause.

Section 6.5 Contract Rights. An officer's removal does not affect the officer's contract rights, if any, with the corporation. An officer's resignation does not affect the corporation's contracts, if any, with the officer.

Section 6.6 Compensation. The compensation of the officers shall be fixed from time to time by the Board of Directors. No officer shall be prevented from receiving such compensation by reason of the fact that such officer is also a director of the corporation.

Section 6.7 Standards of Conduct.

(a) An officer with discretionary authority shall discharge his duties under that authority:

(1) In good faith;

(2) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

(3) In a manner he reasonably believes to be in the best interests of the corporation.

(b) In discharging his duties an officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(1) One or more officers or employees of the corporation whom the officer reasonably believes to be reliable and competent in the matters presented; or

(2) Legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

(c) An officer is not acting in good faith if he has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (2) of this Section unwarranted.

ARTICLE VII

SHARES OF STOCK AND OTHER SECURITIES

Section 7.1 Form and Execution of Certificates. Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. At a minimum each share certificate must state on its face: (a) the name of the corporation and that it is organized under the law of the state of Idaho; (b) the name of the person to whom the certificate is issued; and (c) the number and class of shares and the designation of the series, if any, the certificate represents. If the corporation is authorized to issue different classes of shares or different series within a class, the designations, relative rights, preferences, and limitations determined for each series, and the authority of the Board of Directors to determine variations for future series, must be summarized on the front or back of each certificate. Alternatively, each certificate may state conspicuously on its front or back that the corporation will furnish the shareholder this information on request in writing and without charge. Share certificates shall be signed by the president or a vice president and by the secretary or an assistant secretary and may be sealed with the corporate seal or a facsimile thereof. The signatures of such any officer upon a share certificate may be a facsimile. If the person who signed, either manually or in facsimile, a share certificate no longer holds office when the certificate is issued, the certificate is nevertheless valid.

Section 7.2 Lost Certificates. The corporation may issue a new share certificate in place of any certificate theretofore issued by the corporation alleged to have been lost, stolen, destroyed or mutilated; and the corporation may require the owner of such lost, stolen destroyed or mutilated certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against the corporation on account of the alleged loss, theft, destruction or mutilation of any such certificate or the issuance of such new certificate.

Section 7.3 Transfers. Each share certificate shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be cancelled; and, except as provided in Section 7.2 or as authorized by the Board of Directors, no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled. Transfer of record of shares of stock of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the secretary of the corporation, and (except as provided in Section 7.2) on surrender for cancellation of a properly endorsed certificate or certificates for a like number of shares.

Section 7.4 Fixing Record Dates. In order that the corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock, or to demand a special meeting, or to take any other action, the Board of Directors may fix a future date as a record date. A record date may not be more than seventy (70) days before the meeting or action requiring a determination of shareholders. A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting, unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

Section 7.5 Issuance, Transfer and Registration of Shares.

(a) The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property, including cash, promissory notes, services performed or other securities of the corporation.

(b) Before the corporation issues shares, the Board of Directors must determine that the consideration received or to be received for shares to be issued is adequate.

(c) The corporation may place in escrow shares issued for a promissory note, or make other arrangements to restrict the transfer of the shares, and may credit distributions in respect of the shares against their purchase price, until the note is paid. If the note is not paid, the shares escrowed or restricted and the distributions credited may be canceled in whole or part.

(d) The Board of Directors may make such rules and regulations, not inconsistent with law or with these Bylaws, as it may deem advisable concerning the issuance, transfer and registration of certificates for shares of stock of the corporation. The Board of Directors may appoint a transfer agent or registrar of transfers, or both, and may require all certificates for shares of the corporation to bear the signature of either or both.

Section 7.6 Registered Shareholders. The corporation shall be entitled to recognize the exclusive right of a person duly registered in its books as the owner of its shares to receive dividends and to vote as such owner, to receive notice, and for all other purposes incident to ownership of such shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by Idaho law.

ARTICLE VIII EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 8.1 Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign the corporation's name on behalf of the corporation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws; and such execution or signature shall be binding upon the

corporation. Authorization granted to any person hereunder may be general or confined to specific instances.

Section 8.2 Loans. No loan shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

Section 8.3 Deposits and Checks. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, securities brokerage firms or other depositories as the Board of Directors may select. All checks and drafts drawn on banks or other depositories on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize to do so. Such authorization may be general or confined to specific instances.

Section 8.4 Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized to do so by resolution of the Board of Directors, or, in the absence of such authorization, by the president or any vice president.

ARTICLE IX DIVIDENDS

Section 9.1 Declaration and Payment of Dividends. Dividends upon the capital stock of the corporation, subject to restriction by the Articles of Incorporation and the limitations in Idaho Code § 30-1-640(3), may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid by the corporation in cash, property or, subject to restriction by the Articles of Incorporation and the IBCA, in shares of its stock.

ARTICLE X INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 10.1 Scope of Indemnification. The corporation shall indemnify and advance funds to or on behalf of the directors and officers of the corporation to the fullest extent permitted by the IBCA, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the

corporation to provide broader indemnification rights than the IBCA permitted the corporation to provide prior to such amendment).

Section 10.2 Mandatory Indemnification of Directors. The corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because he was a director of the corporation against reasonable expenses incurred by him in connection with the proceeding.

Section 10.3 Insurance. The corporation may purchase and maintain insurance on behalf of an individual who is a director or officer of the corporation, or who, while a director or officer of the corporation, serves at the corporation's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity, against liability asserted against or incurred by him in that capacity or arising from his status as a director or officer, whether or not the corporation would have power to indemnify or advance expenses to him against such liability.

Section 10.4 Amendments. Any repeal or modification of this Article X shall only be prospective and shall not affect the rights under this Article X in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any director or officer.

Section 10.5 Saving Clause. If this Article X of these Bylaws or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and may nevertheless indemnify each officer to the full extent permitted by any applicable portion of this Article X that shall not have been invalidated, or by any other applicable law.

ARTICLE XI NOTICES

Section 11.1 Methods of Notice. Any notice under the IBCA or these Bylaws must be in writing unless oral notice is reasonable under circumstances. Notice by electronic transmission is written notice.

Section 11.2 Notice to Corporation. Written notice to the corporation may be addressed to its registered agent at its registered office or to the corporation or its secretary at its principal office shown in its most recent annual report filed with the Idaho Secretary of State.

ARTICLE XII SALE OF STOCK

Section 12.1 Right of First Refusal. No sale of stock shall be made by any shareholder or the heirs, executors, administrators or assigns of any shareholder to any person(s) or entity ("prospective purchaser"), except pursuant to the following terms and conditions:

(a) In the event any shareholder desires to sell his stock, or any portion thereof, to any prospective purchaser, he shall first submit to the shareholders of the corporation, reasonable written evidence of the agreement to purchase said stock by such third person and the price and complete terms agreed to be paid therefor.

(b) In the event the remaining shareholders agree to purchase such stock at the same price and upon the same terms which the shareholder is to receive from said third party, then the stock shall be sold to the shareholders of the corporation in such proportionate amounts as their respective stock bears to the entire stock held by the shareholders of the corporation, exclusive of the shares owned by the selling shareholder, or in such proportion as such shareholders may agree.

(c) In the event that any of the remaining shareholders do not desire to purchase such stock, then such stock shall be sold at the price aforesaid to such of the shareholders who may desire to purchase the same, and in the same proportion as above specified.

(d) No stock shall be sold to any person other than the shareholders of the corporation until each of the shareholders shall have been afforded an opportunity to purchase such stock at the price and terms as aforesaid, and shall have declined to do so.

(e) Notice in writing to the shareholders of the corporation of the desire of any shareholder to sell his stock shall be given by such shareholder; and, at the same time, reasonable evidence shall be furnished to the shareholders as to the price and terms as hereinbefore set forth. Shareholders shall have thirty (30) days' time after the receipt of said notice within which to elect in writing to purchase such stock or to decline to do so. If at the end of such 30-day period all remaining shareholders have declined in writing, or have not taken any action, then the shareholder desiring to sell his stock shall sell such stock to the prospective purchaser named in the agreement to purchase such stock, and to that prospective purchaser only; and such stock shall be sold in precise accordance with the price and terms set forth in such agreement to purchase. Satisfactory evidence of

compliance with the terms of the foregoing restriction upon the transfer of stock of this corporation shall be submitted to the Board of Directors, and accepted by them, before any such transfer shall be effective.

Section 12.2 Subchapter "S" Corporation. If an election to be treated as an "S" Corporation under the Internal Revenue Code of 1986 or any amendment thereof ("Code") shall then be in effect, no shares of the corporation's stock may be sold to any person or entity which, at such time, would not be a qualified shareholder of an "S" Corporation under such Code.

Section 12.3 Stock Transfer Restrictions. Each certificate of stock of the corporation shall have the following legends conspicuously typewritten or printed upon its face:

"The stock represented by this certificate is subject to restrictions on transferability under Article XII of the Bylaws of the corporation."

"The securities represented hereby have not been registered under the Securities Act of 1933 or any State Securities Act. Any transfer of such securities will be invalid unless a registration statement under said Act(s) is in effect as to such transfer or in the opinion of counsel for the company such registration is unnecessary in order for such transfer to comply with said Act(s)."

ARTICLE XIII RECORDS AND REPORTS

Section 13.1 Corporate Records.

(a) The corporation shall keep as permanent records minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the corporation.

(b) The corporation shall maintain appropriate accounting records.

(1) The corporation or its agent shall maintain a record of its shareholders, in a form that permits preparation of a list of the names and addresses of all shareholders, in alphabetical order by class of shares showing the number and class of shares held by each.

Section 13.2 Inspection of Records by Shareholders. In addition to the rights of a shareholder under Section 3.11 of these Bylaws:

(a) A shareholder of the corporation is entitled to inspect and copy, during regular business hours at the corporation's principal office, any of the records of the corporation described in Section 13.1(5), if he gives the corporation written notice of his demand at least five (5) business days before the date on which he wishes to inspect and copy.

(b) A shareholder of the corporation is entitled to inspect and copy, during regular business hours at a reasonable location specified by the corporation, any of the following records of the corporation if the shareholder meets the requirements of subsection (3) of this Section and gives the corporation written notice of his demand at least five (5) days before the date on which he wishes to inspect and copy:

(1) Excerpts from minutes of any meeting of the Board of Directors, records of any action of a committee of the Board of Directors while acting in place of the Board of Directors on behalf of the corporation, minutes of any meeting of the shareholders, and records of action taken by the shareholders or Board of Directors without a meeting, to the extent not subject to inspection under Section 13.1;

(2) Accounting records of the corporation; and

(3) The record of shareholders.

(c) A shareholder may inspect and copy the records described in subsection (2) of this Section only if:

(1) He has been a holder of record of shares or of voting trust certificates for at least six (6) months immediately preceding his demand or shall be the holder of record of, or the holder of record of voting trust certificates for, at least five percent (5%) of all the outstanding shares of the corporation;

(2) His demand is made in good faith and for a proper purpose;

(3) He describes with reasonable particularity his purpose and the records he desires to inspect; and

(4) The records are directly connected with his purpose.

(d) For purposes of this Section, "shareholder" includes a beneficial owner whose shares are held in a voting trust or by a nominee on his behalf.

Section 13.3 Financial Statements to Shareholders.

(a) The corporation upon written shareholder request shall furnish its shareholders annual financial statements or, if annual financial statements are not available, other appropriate accounting records, which may be consolidated or combined statements of the corporation and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of changes in shareholders' equity for the year unless that information appears elsewhere in the financial statements. If financial statements are prepared for the corporation on the basis of generally accepted accounting principles, the annual financial statements must also be prepared on that basis.

(b) If any financial statements furnished pursuant to subsection (1) of this Section are reported upon by a public accountant, his report must accompany them. If not, the statements must be accompanied by a statement of the president or the person responsible for the corporation's accounting records:

(1) Stating his reasonable belief whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and

(2) Describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

ARTICLE XIV GENERAL PROVISIONS

Section 14.1 Amendment by Board of Directors or Shareholders.

(a) The Board of Directors may amend or repeal these Bylaws unless:

(1) The Articles of Incorporation or the IBCA reserve this power exclusively to the shareholders in whole or part, or

(2) The shareholders in amending or repealing a particular Bylaw provide expressly that the Board of Directors may not amend or repeal that Bylaw.

(b) The shareholders may amend or repeal these Bylaws even though the Bylaws may also be amended or repealed by the Board of Directors.

Section 14.2 Interpretation; Severability. These Bylaws may contain any provision for managing the business and regulating the affairs of the corporation that is not inconsistent with law or the Articles of Incorporation. In the event any provision of these Bylaws is inconsistent with law or the Articles of Incorporation, such law or Articles of Incorporation shall govern. If any one or more of the provisions contained in these Bylaws, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby. (Idaho Code §§ 30-1-206(2) and 30-1-302(3)).

The foregoing Bylaws of CROFT & REED, INC., an Idaho corporation, were adopted by the Board of Directors of the corporation effective on the _____ day of _____, 2007.

Virginia Reed Matthews
Secretary

No. C 33253 Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	Due no later than December 31, 2004 Annual Report Form 1. Mailing Address - Correct in this box if applicable <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> CROFT & REED, INC. RICHARD REED 3843 NORTH 105TH WEST IDAHO FALLS, ID 83402 </div> <div style="width: 50%;"> Croft & Reed, Inc. Venna Reed 3950 Tuscany Dr. Idaho Falls, ID 83404 </div> </div>	2. Registered Agent and Office NO PO BOX <div style="border: 1px solid black; padding: 2px;"> RICHARD B REED 3843 NORTH 105TH WEST IDAHO FALLS, ID 83402 Venna Reed 3950 Tuscany Dr. Idaho Falls, ID 83404 </div> 3. New Registered Agent Signature Venna C Reed																								
4. Corporations: Enter Names and Business Addresses of President, Secretary and Directors. <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Office held</th> <th style="text-align: left; border-bottom: 1px solid black;">Name</th> <th style="text-align: left; border-bottom: 1px solid black;">Street or P.O. Address</th> <th style="text-align: left; border-bottom: 1px solid black;">City</th> <th style="text-align: left; border-bottom: 1px solid black;">State</th> <th style="text-align: left; border-bottom: 1px solid black;">Zip</th> </tr> </thead> <tbody> <tr> <td>President</td> <td>Venna C. Reed</td> <td>3950 Tuscany Dr.</td> <td>Idaho Falls</td> <td>ID</td> <td>83404</td> </tr> <tr> <td>Secretary</td> <td>Virginia R. Matthews</td> <td>2523 Genevieve Way</td> <td>Idaho Falls</td> <td>ID</td> <td>83402</td> </tr> <tr> <td>Director</td> <td>Venna C Reed</td> <td>3950 Tuscany Dr.</td> <td>Idaho Falls</td> <td>ID</td> <td>83404</td> </tr> </tbody> </table>			Office held	Name	Street or P.O. Address	City	State	Zip	President	Venna C. Reed	3950 Tuscany Dr.	Idaho Falls	ID	83404	Secretary	Virginia R. Matthews	2523 Genevieve Way	Idaho Falls	ID	83402	Director	Venna C Reed	3950 Tuscany Dr.	Idaho Falls	ID	83404
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President	Venna C. Reed	3950 Tuscany Dr.	Idaho Falls	ID	83404																					
Secretary	Virginia R. Matthews	2523 Genevieve Way	Idaho Falls	ID	83402																					
Director	Venna C Reed	3950 Tuscany Dr.	Idaho Falls	ID	83404																					
5. Organized Under the Laws of: <div style="text-align: center;">IDAHO C 33253</div>	6. Signature <u>Venna C Reed</u> Date <u>10-21-04</u> Name (Typed or Printed) <u>Venna C Reed</u> Title <u>President</u>																									

Issued 10/01/2004

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Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	Annual Report Form				
	1. Mailing Address - Correct in this box if applicable CROFT & REED, INC. VENNA REED 3950 TUSCANY DR IDAHO FALLS, ID 83404		VENNA REED 3950 TUSCANY DR IDAHO FALLS, ID 83404 3. New Registered Agent Signature		
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<u>Office held</u>	<u>Name</u>	<u>Street or P.O. Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
President	Venna Reed	3950 Tuscany Dr.	Idaho Falls	ID	83404
Secretary	Virginia Mathews	2583 Genevieve Way	Idaho Falls	ID	83402
Director	Venna Reed	3950 Tuscany Dr.	Idaho Falls	ID	83404
5. Organized Under the Laws of: IDAHO C 33253		6. Signature <u>Venna C. Reed</u> Name (Typed or Printed) <u>Venna Reed</u>			Date <u>Dec 6, 2005</u> Title <u>President</u>

Issued 10/03/2005

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No. C 33253

Due no later than December 31, 2006
Annual Report Form

2. Registered Agent and Office NO PO BOX

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SECRETARY OF STATE
700 WEST JEFFERSON
PO BOX 83720
BOISE, ID 83720-0080

1. Mailing Address - Correct in this box, if applicable

CROFT & REED, INC.
VENNA REED
3950 TUSCANY DR
IDAHO FALLS, ID 83404VENNA REED
3950 TUSCANY DR
IDAHO FALLS, ID 83404NO FILING FEE IF
RECEIVED BY DUE DATE3. New Registered Agent Signature

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Secretary	Virginia R. Matthews	2583 Genevieve Way	Idaho Falls	ID	83402
Director	Venna Reed	3950 Tuscany Dr.	Idaho Falls	ID	83404

115

5. Organized Under the Laws of:

IDAHO
C 33253

6.

Signature

Venna C. Reed

Date

11-16-06

Name

(Typed or
Printed)

Venna C. Reed

Title

President